



UMKHANYAKUDE DISTRICT MUNICIPALITY

DRAFT ANNUAL REPORT FOR UMKHANYAKUDE DISTRICT MUNICIPALITY

2015/2016

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MAYOR'S FOREWORD

The Annual Report is a transparent account of the District accomplishments in the year under review, but does not shy away from indicating gaps in spending or delivery where they exist.

The report is published in terms of the requirements of the Municipal Finance Management Act No. 56 of 2003 and Municipal Systems Act of 2000 as amended which requires municipalities to report on all aspects of performance, providing a true, honest and accurate account of the goals set by Council and our success

This Annual Report aims to enhance governance and promote accountability. It forms part of a cycle of ongoing planning, monitoring and evaluation that begins with the formulation and annual review of the Integrated Development Plan. This in turn helps the District to make its budget determinations and set targets for delivery.

The intervention by the Cabinet of Kwa Zulu Natal to place uMkhanyakude District Municipality under Section 139 (1) (b) of the South African Constitution 108 of 1996 was acknowledge and welcomed by the Council of uMkhanyakude. This intervention has brought a lot of change when it comes to Service Delivery in particular Infrastructure development. The KZN Treasury also brought support to uMkhanyakude Finance Department and there is growing confidence that the Municipality will be moving away from all the challenges that finance Department used to experience before.

UMkhanyakude has experienced service delivery protests more especially at Jozini, however the Council and the Administrator have worked tirelessly in resolving community protest by engaging uMngeni Water Board, uMhlathuze water and WSSA in resolving water challenges.

Major projects have been planned and executed I such as the completion of the Shemula Water Scheme and some other major projects that are nearly in the completion stage and these include Jozini-Ingwavuma Scheme and Hlabisa-Mandlakazi. Jozini Ingwavuma Scheme is a state of the art project that will ensure that Jozini, Mbazwana and Ingwavuma residents get sufficient water. The scheme is capable of delivering 40 Mega Liters which will supply ±50 200 households. Shemula Water Scheme is one of the water projects that will supply uMhlabuyalingana and some part of Jozini residents with water. Shemula water Scheme has a capacity of 7 Mega Liters but it was upgraded to 20 Mega Liters (2012-1016). Shemula water scheme will benefit ±67 200 household.

uMkhanyakude is one of the districts that is heavily affected by persistent drought. This is a fifth year not getting constant rains. The capacity of Jozini Dam is currently under 45% and Hluhluwe Dam is at 10% but there has been an initiative to drill more than 20 boreholes around the District and supply communities with water through water tank system to ensure that people get water as drought season seems to be prolonged.

Lastly uMkhanyakude District Council has committed itself to ensuring that it improves revenue collection and the entire financial wellbeing of the Municipality. Currently there is an initiative of installing meters for business sector and households around the District. The billing section is being revived to be more efficient and improve on debt management. This is a great achievement indeed and the District Municipality is also dealing with water leaks and is fixing the bulk pipe line to SAVE WATER.

I CALL ALL UMKHANYAKUDE CITIZENS TO:

SAVE WATER!

USE WATER SPARINGLY!

REPORT THE LEAKS!

Cllr.....
His Worship the Mayor

MUNICIPAL MANAGER'S OVERVIEW

UMkhanyakude District Municipality is presenting the Annual Report for 2015/2016 financial year as per the mandate of the Municipality which is aligned to the following legislated Key Performance Areas (KPA's):

1. Basic Service Delivery
2. Local Economic Development
3. Municipal Financial Viability and Management
4. Municipal Transformation and Institutional Development
5. Good Governance and Public Participation

UMkhanyakude District Municipality adopted its District Growth and Development Plan (DGDP) which is aligned to the Provincial Growth and Development Strategy (PGDS) and the National Development Plan (NDP). The DGDP is the road map towards attaining the vision **"A model District in service delivery excellence"** and strategic objectives of the Municipality by 2030.

During the 2015/2016 financial year; the Municipality aligned the DGDP to the following delivery priorities:

Water

1. Sanitation / Sewerage
2. Environmental Health
3. Economic, Social or Community and Skills Development
4. Poverty eradication and Food Security
5. Revenue Enhancement
6. Spatial Planning and Development
7. Information Communication Technology (ICT)
8. Good Governance and Clean Administration

It is worth mentioning that UMkhanyakude District Municipality has had its fair share of challenges during the year under review. This resulted to a Cabinet decision of 07 October 2015 to invoke Section 139 (1) (b) of the Constitution.

Through a collaborative effort between the Intervention Team led by the Administrator and the management team of the Municipality led by the Acting Municipal Manager; a detailed Recovery Plan was developed and implemented accordingly. The focus of the Recovery Plan was to address mainly the issues that led to the decision to invoke Section 139 (1) (b) and any other matter that led to the total collapse of the administration.

I am proud to present the following highlights that have been achieved as at 30 June 2016:

SERVICE DELIVERY HIGHLIGHTS

- 100% expenditure on MIG allocation for 2015/2016 financial year
- Shemula as well as Jozini-Ingwavuma water schemes have improved water provision to most communities in the area of Jozini and Umhlabuyalingana municipalities.
- Sanitation programmes have been successfully implemented throughout the District.

LOCAL ECONOMIC DEVELOPMENT

- Umhlosinga Development Agency has been coordinating the programme for schools nutrition. This programme has benefited SMMEs and increased job creation opportunities locally.

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

- Cash backing of all conditional grants for 2015/2016 financial year
- Implementation of cost curtailment measures
- Classified creditors that the municipality was owing between R100 000 up to R1 000 000 and paid them as per the creditors payment plan. About 117 service providers were paid about R7,4m.
- Debtors were also addressed as per the revenue collection strategy which mainly focussed on government departments and businesses.

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

- Review of the Organizational structure
- The delay on finalisation of organogram and job description was as a result of non-functional LLF. The LLF has since been revived and the programme of finalising job descriptions and the organogram will be finalised by 2016/2017 financial year.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- Revival of Intergovernmental Structures gained momentum during 2015/2016 financial year however there is still room for improvement. The IGR structures need to sit and thoroughly discuss the business of the Municipality as such practice would ultimately minimise the risk of service delivery protests
- Development and implementation of the Audit Action Plan for the 2014/2015 audit
- Revival of the Audit Committee
- Accountability of the Internal Audit Unit – outsourced function, build internal capacity
- Development of the District Rapid Response Team

Without a doubt, the municipality continues to make progress towards achieving its mandate of providing developmental service delivery to its citizens. A word of gratitude goes to the community of UMkhanyakude District Municipality at large for their patience and their willingness to work with the Municipality, Intervention Team, management and staff for working tirelessly towards transforming the Municipality for the better, the Council of UMkhanyakude District Municipality for playing an oversight role as well as the Support Team from COGTA, Provincial Treasury and Department of Water and Sanitation for lending a helping hand.

MR. T. Z. MOKHATLA

ACTING MUNICIPAL MANAGER

MUNICIPAL POWERS AND FUNCTIONS

Municipal Powers and Functions reflect activities that municipalities are obliged to perform. Partly it all depends on the category of the municipality. In terms of the Municipal Structures Act Umkhanyakude District Municipality falls under Category C.

The powers and functions of the UMkhanyakude District Municipality, tabled in terms of sections 83 and 84 of the Municipal Structures Act, are as follows:

- 1) Integrated Development Planning for the District Municipality as a whole, including a framework for integrated development plans for the local municipalities within the area of the District Municipality, taking into account the integrated developments plans on those local municipalities,
- 2) Bulk supply of water that affects a significant proportion of municipalities in the district
- 3) Bulk supply of electricity that affects a significant proportion of municipalities in the district.
- 4) Municipal Health Services serving the area of the District Municipality as a whole
- 5) Fire Fighting services serving the area of the District Municipality as a whole

The following functions are shared by both the district and its family of municipalities:

- 1) Promotion of local Tourism;
- 2) Fire-fighting services;
- 3) Municipal airports;
- 4) Municipal planning;
- 5) Municipal public transport;
- 6) Cemeteries, funeral parlours and crematoria;
- 7) Refuse removals, refuse dumps and solid waste removals;
- 8) The establishment conducts and control of fresh produce markets and abattoirs; and
- 9) Municipal roads which form integral part of a road transport system for the area of the District Municipality as a whole.

SUMMARY OF ANNUAL REPORT LEGISLATIVE FRAMEWORK

INTRODUCTION

In terms of section 121(1) of the MFMA, every municipality and every municipality must for each financial year prepare an annual report. In terms of section 127(2) of the MFMA, the Mayor of the Municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the Municipality's sole or shared control.

MFMA Requirements

The Annual Financial Statement of the Municipality {section 121(3)(a)}

The Auditor-General's Report {section 121(3)(b)}

The Annual Performance Report {section 121(3)(c') and section 121(3) (d)}

An assessment of the arrears on Municipal charges {section 121 (e')}

Revenue Performance against the budget {section 121(3) (f)}

121 (3) (f) An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year.

Other Action Plan {section 121(3)(g)}

Other issues of importance in connection with the AFS {section 121 (3)(h)}

(a) Liquidity

(b) Property, plant and equipment

Section 121 (3) (i) Any information as determined by municipality

Section 121 (3) (j) Any recommendations of the municipality's audit committee

Section 121 (3) (k) Any other information as may be prescribed

Disclosures:-

Allocations from organ of state (section 123(1)(a))

Section 123 (1) (a) (ii) Allocations received from a municipal entity or another municipality

The municipality has established a Development Agency called uMhlosinga Development Agency (UMDA). It is wholly owned by uMkhanyakude District Municipality. The Annual allocations are made to uMhlosinga Development Agency.

Section 123 (1) (b) (i) Allocations made to a municipal entity or another municipality

Section 123 (1) (b) (ii) Allocations made to any other organ of state

Section 123 (1) (c) Details of how the allocations that were received were spent per vote excluding equitable share

Section 123 (1) (d) (i) The municipality has complied with allocation made to it by National Government

Section 123 (1) (d) (ii) The municipality has complied with allocations made to it other than by National organs of state

Section 123 (1) (e) Reasons for non-compliance with grant conditions referred to above

Section 123 (1) (f) Delays or withholding of funds DoRA

Section 123 (1) (a) Reasons for delay or withholding of funds ... DoRA

Section 124 (1) (a) Salaries, allowances and benefits of political office-bearers and councillors of the municipality (financial and in-kind)

In-kind benefits

Section 124 (1) (b) Statement by the accounting officer that salaries, allowances and benefits are in accordance with the framework in s 219 of the Constitution

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Section 124 (1) (c) Arrears owed by individual councillors to the municipality or its municipal entity for rates and services which were at any time during the year outstanding for more than 90 days.

Section 124 (1) (c) Salaries, allowances and benefits of the municipal manager, CFO and every senior manager

Section 125 (1) (a) List of all municipal entities under the shared or sole control of the municipality

UMhlosinga Development Agency

Section 125 (1) (b) Total amount of contributions to organised local government for the year and any outstanding amounts at year end [if the amount is "nil" indicate so]

Section 125 (1) (c) Taxes

Section 125 (2) (a) Name of bank where account is held

Section 125 (2) (b) The Details of the bank account are disclosed in the Annual Financial Statements (AFS) in note as Cash and Cash Equivalents.

Section 125 (2) (c) Particulars of contingent liabilities at year end

Section 125 (2) (d) (i) The unauthorized and irregular Expenditure has been disclosed in the AFS per note ...

Section 125 (2) (d) (ii) The Forensic Investigation is underway with the assistance of Provincial Treasury (PT) to deal with issues.

Section 125 (2) (d) The debts have been written off and disclosed as such in the AFS per the AFS. Such AFS are included in the Annual Report for tabling to Council.

Section 125 (2) (e) There was non-compliance with MFMA which was disclosed in the note to the AFS per page 61.

Municipal Systems Act Requirements

MSA s45 – Audited performance measures

See Annual Performance Report on page

MSA s46 (1) (a) - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

MSA s46 (1) (a) – (ii) Current year's performance and targets as well as the prior year

See page .. Annual Performance Report

MSA s46 (1) (a) – (iii) Performance report measures that were taken or are to be taken to improve performance

See relevant column of Annual Performance Report on page

MSA s46 (1) (a) - Service delivery priorities and performance targets set for the next financial year

DRAFT

EXECUTIVE SUMMARY

The process of compiling an annual report commenced in July 2016 when the District Municipality submitted Annual Financial Statements to Auditor General which was in terms of S 126(1) (a) of the MFMA. The preparation of the 2015/2016 annual report is informed by:

Chapter 1: This section gives an overview of uMkhanyakude District Municipality in terms of its spatial location, competitive advantages, and demographics.

Chapter 2: This chapter reflects on Municipal Governance.

Chapter 3: This chapter reflects on Service Delivery Performance in line with the IDP

Chapter 4: This chapter reflects on Organisational Development Performance.

Chapter 5: This chapter covers Financial Performance (AFS and liquidity ratios).

Chapter 6: This chapter presents Audited Consolidated Annual Financial Statements (Annexure A). **This Annexure will be available as soon as auditing process has been finalised**

Chapter 7: This chapter presents Auditor General's Report (Attached as Annexure B).
This Annexure will be available as soon as AG's opinion is available

Other Annexures:

- Annexure C: reflects on the Audit Action Plan
- Annexure D: reflects on the Annual Report for uMhlozinga Development Agency **(this report will be available in the final AR)**

This Annual Report is a reflection of Umkhanyakude District Municipality's performance in terms of:

- Municipal Transformation and Institutional Development
- Service Delivery and Infrastructure Investment
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross Cutting Interventions

Most parts of this Annual Report quantified performance in all Key Performance Areas of the Municipality. This is further supported by Annual Financial Statements which have been audited and the findings of the audit are also contained in the report.

CHAPTER 1: OVERVIEW OF UMKHANYAKUDE DISTRICT MUNICIPALITY

District Overview

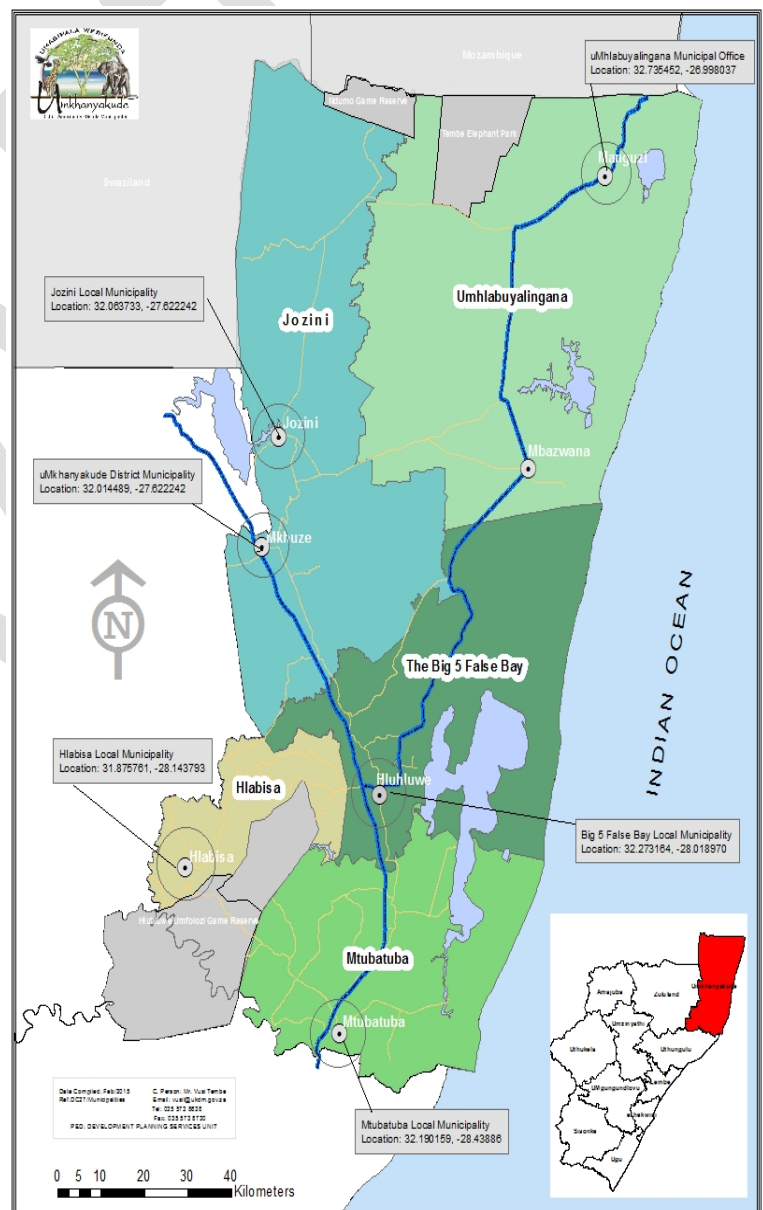
UMkhanyakude District Municipality is located in the far Northern region of KwaZulu-Natal Province in South Africa (**32,014489; -27,622242**). At 12 818 km² and with a population totalling 625,846, the District is the 2nd largest District in KwaZulu-Natal, in terms of size, behind its neighbouring District, Zululand District Municipality. UMkhanyakude District also has the World Heritage Site known as Isimangaliso Wetland Park which encompasses the entire coastline of more than 200 km. The Map below indicates the boundaries of the 5 local municipalities within the UMkhanyakude District and surrounding neighbourhoods. The District Municipality consists of the following municipalities:

Local Municipalities within the District

- UMhlabyalingana Municipality (KZ 271)
- Jozini Municipality (KZ 272)
- The Big 5 False Bay Municipality (KZ 273)
- Hlabisa Municipality (KZ 274)
- Mtubatuba Municipality (KZ 275)

The District Municipality is located in Mkhuze and has:

- The Republic of Mozambique to the North
- The Indian Ocean to the East
- uThungulu to the South (DC28)
- Zululand to the West (DC26)
- the Kingdom of Swaziland to the North- West



CHAPTER 2: MUNICIPAL GOVERNANCE

The institutional structure of the municipality is divided into two levels, the Political and Administrative structures. The Administrative structure is accountable to the Political structure. The administration of the Municipality is structured according to the powers and functions allocated to municipalities as per Chapter 3 of the Municipal Systems Act and Regulations 32 of 2000. The Municipality is guided by the policies and procedures which are developed from National and Provincial guidelines and adopted by Council.

2.1 SECTION A: POLITICAL GOVERNANCE

The Council comprises 29 seats allocated according to proportional representation as per Schedule 2 (7) of the Local Government Municipal Structures Act and Regulations 117 of 1998 and representative of all Local Municipalities.

The Council is made up of the following political parties: Inkatha Freedom Party (10 Councilors), African National Congress (14 Councilors) and National Freedom Party (05 Councilors).

The principal structure of the municipality is Council which is chaired by the Speaker of Council, Councilor H. G. S. Mavimbela. The Executive Committee (EXCO) which is chaired by the Mayor of Council, Cllr. S. J Vilane is the delegated political structure that deals with the day to day running of the Municipality and further reports its affairs to Council for noting and consideration depending on the matter in question.

To ensure effectiveness of oversight; council is further divided into various committees which are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures Act (Act no 117 of 1998). These committees include:

No.	Committee	Relevant Section of the MSA	Chairperson
1.	Executive Committee	Section 80	Cllr S. J. Vilane
2.	Finance Portfolio Committee	Section 80	Cllr S. J. Vilane
3.	Corporate Governance Portfolio Committee	Section 80	Cllr S. H. Nxumalo
4.	Community Services Portfolio Committee	Section 80	Cllr C. G. Swartz
5.	Technical Services Portfolio Committee	Section 80	Cllr S. J. Vilane
6.	Planning & Economic Development Portfolio Committee	Section 80	Cllr S. H. Nxumalo
7.	Municipal Public Accounts Committee	Section 79	Cllr M. B. Sangweni

REMUNERATION OF COUNCILLORS

DESIGNATION	AMOUNT
Mayor	R 563 040.00
Deputy Mayor	R 450 432.00
Speaker	R 450 432.00
Executive Committee	R 1 266 840.00
Councillors	R 1 454 933.00
Allowances	R 1 627 560.00
TOTAL	R 5 813 237.00

2.2 SECTION B: ADMINISTRATIVE GOVERNANCE

ORGANISATIONAL STRUCTURE

In accordance with municipal legislation, UMkhanyakude District Municipality has developed an organizational structure which has been adopted by Council. The managerial structure has been developed in a manner that would enable the Municipality to deliver on its priorities and objectives, as set out in the Municipality's Integrated Development Plan. UMkhanyakude District Municipality consists of six departments, namely:

No.	Position	Appointment Status
1.	Municipal Manager	Filled
2.	GM: Corporate Services	Filled
3.	Chief Financial Officer	Vacant (Acting incumbent)
4.	GM: Community Services	Filled
5.	GM: Technical Services	Vacant (Acting incumbent)
6.	GM: Planning & Economic Development	Vacant (Acting incumbent)

SECTION 124 (1) (C): SALARIES, ALLOWANCES AND BENEFITS OF THE MUNICIPAL MANAGER, CHIEF FINANCIAL OFFICER AND OTHER SENIOR MANAGERS

REMUNERATION OF THE MUNICIPAL MANAGER	
Annual Remuneration	R 727 288.00
Contributions to UIF, Pension and Medical Aid	R 151 969.54
Travel, motor car, accommodation, subsistence and other allowances	R 331 822.00
TOTAL	R 1 211 079.54

REMUNERATION OF THE CHIEF FINANCIAL OFFICER	
Annual Remuneration	R 500 136.60
Contributions to UIF, Pension and Medical Aid	R 1 784.64
Travel, motor car, accommodation, subsistence and other allowances	R 619 216.70
Acting Allowance	None
Back pay	None
TOTAL	R 1 121 137.94

REMUNERATION OF OTHER SENIOR MANAGERS	GM: CORPORATE SERVICES	GM: COMMUNITY SERVICES	GM: PLANNING & ECONOMIC DEVELOPMENT	GM: TECHNICAL SERVICES
Annual Remuneration	R 648 832.60	R 771 549.60	R 705 486.70	R 658 437.90
Contributions to UIF, Pension and Medical Aid	R 150 383.90	R 200 060.24	R 208 469.14	R 335 549.84
Travel, motor car, accommodation, subsistence and other allowances	R 325 765.00	R 203 047.92	R 269 110.80	R 237 073.80
Acting Allowance	R 25 921.05	None	None	None
Back pay	None	None	None	
TOTAL	R 1 150 902.55	R 1 174 657.76	R 1 183 066.64	R 994 225.47

THE OFFICE OF THE MUNICIPAL MANAGER IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Overall Administrative Management & Oversight
- Municipal Support functions
- Communications, Marketing and Branding
- Internal Audit & Risk Management
- Legal Services
- Research & Policy Development
- Intergovernmental Relations (IGR)
- Batho Pele Implementation & Monitoring

THE CORPORATE SERVICES DIRECTORATE IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Information Communication Technology
- Support Services (Administration, Auxiliary Services, Council Support, Facilities Management;
- Records and Information Management and Knowledge Management)
- Human Resources Management (Organizational Development, Recruitment and Selection,
- Employee Wellness and Occupational Safety, Career Development, Performance Management,
- Human Resources Development, Labour Relations and Batho Pele)

THE FINANCIAL SERVICES DIRECTORATE IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Budget and Treasury Management
- Supply Chain Management
- Revenue Management
- Expenditure Management
- Financial Control and Cash Management
- Accounting and Reporting

THE TECHNICAL SERVICES DIRECTORATE IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Municipal Infrastructure Planning, Funding, Maintenance and Development Management
- Electricity Distribution Management
- Water Distribution Management
- Sanitation Distribution Management
- Water Quality Monitoring
- Project Management Unit

THE PLANNING & ECONOMIC DEVELOPMENT DIRECTORATE IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Spatial Planning
- Land Use Management & Administration
- Geographical Information Systems (GIS)
- Environmental Planning & Management
- District-Wide Growth & Development Planning (DGDP)
- Secretariat to the District Development & Planning Commission (DDPC)
- Human Settlement Planning & Coordination
- Integrated Development Planning (IDP)
- Performance Management Systems (PMS)
- Local Economic Development (LED)
- Tourism Development & Marketing
- uMhloosinga Development Agency (UMDA)

THE COMMUNITY SERVICES DIRECTORATE IS RESPONSIBLE FOR THE FOLLOWING FUNCTIONS:

- Fire Services
- Disaster Management
- Special Programmes
 - Youth & Sports Development & Support Programmes
 - People with Disabilities Development & Support Programmes
 - Elderly People Development & Support Programmes
 - Women Development & Support Programmes
 - HIV/AIDS Support Programmes
- Sector Development
- Environmental Health Planning & Management
- Protection Services
- Social Development

2.3 SECTION C: CORPORATE GOVERNANCE

Website Functionality

- The municipal website is fully functional. The up-time is normally 99.9%. The Information Communication Unit comprises the Manager: Information Technology, the IT Officer and the IT Helpdesk. The personnel within this section has been trained on updating the Website. Administrator Username and Password have been created to administer the site.
- The information is supposed to be uploaded on the website on weekly basis and be authorized by the relevant Head of Department within which that function resides. A Web Interface has also been created.
- The municipal website has approximately 1000 visitors per month for both viewing and downloading of documents.
- Website uptime in the year 2015-2016 has been 99%.

The Impact of Section 139 (1) (b) for Umkhanyakude District Municipality

Background

- On 7 October 2015 the Provincial Executive resolved to intervene in Umkhanyakude District Municipality in terms of section 139(1)(b) of the constitution
- On 08 October 2015 the Minister and the NCOP were notified of the decision to intervene in line with section 139(2) of the constitution
- The NCOP Select Committee on Cooperative Governance and Traditional Affairs recommended the approval of the intervention on 16 February 2016 and attached the following conditions:
 - CoGTA should have an urgent bilateral with Umkhanyakude DM to address and manage the improper use and underspending of the conditional grant funding. A report in this regard should be forwarded to the NCOP, within 14 days after the adoption of this report by the NCOP.
 - The MEC should table quarterly reports to the NCOP and the Provincial Legislature on the status of the intervention in the municipality including the termination of the intervention.

Basis for Invoking Sec 139 at Umkhanyakude District Municipality

Governance and Institutional Matters

- Issues related to functionality of committees and human resources management were not handled properly by the Municipality

Financial Viability and Management

- The entire financial management function was poorly handled by the Municipality and this was evident by a string of poor audit opinion in the previous financial years.

Basic Service Delivery Failures

- The Municipality performed badly in all aspects of basic service delivery.

Back to Basics Support Plan

- The municipality took too long to adopt their Back to Basics Support Plan. The assessment of the programme in the municipality as at end of quarter four (30 June 2015) showed that the municipality had to be re-categorised from being challenged to being a municipality requiring intervention.

Labour Disputes

- The municipality was experiencing persistent unprotected labour strikes due to the failure by management to address labour matters

Service Delivery Protests

- All service delivery protests recorded by Cogta's Rapid Response Unit in municipalities within the Umkhanyakude family of municipalities during the period 1 January 2014 to 31 August 2015 were about water supply issues in the main.

The following Resolutions were then taken by the Provincial Executive Council:

Resolution (a)

- Intervention in terms of section 139 (1)(b) of the constitution be implemented and Cogta assumes the functions specified in sections 51, 54a, 56 and 67(1)(h) of the municipal systems act and the District Municipal functions in terms of the Intergovernmental Framework Relations Act, 2005
- Directed that a Recovery Plan aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments be imposed on the municipality, which Recovery Plan will
 - (i) be prepared in accordance with national legislation; and
 - (ii) binds the municipality in the exercise of its executive authority, but only to the extent necessary to solve the crisis in its financial affairs and service delivery failures

- Mr B Ndwandwe (who was later on substituted by Mr M M Sithole) be appointed Ministerial Representative at Umkhanyakude District Municipality tasked with the preparation and implementation of the recovery plan and the following terms of reference:-

- Undertake all fiscal and financial management functions at the municipality including Budget and Treasury Office functions and powers provided for in Chapter 9 of the Municipal Finance Management Act, 53 of 2003 as amended as well as becoming a compulsory signatory on the municipality's bank accounts;

Resolution (b)

- Ensure implementation of financial systems, policies and procedures
- Undertake all steps prescribed in sections 54A and 56 of the Municipal Systems Act, 2000 and associated regulations
- Undertake all functions listed in section 51 of the Municipal Systems Act 32 of 2000, as amended;
- Ensure the implementation of all governance systems and procedures, including oversight mechanisms; and the functionality of all Council structures, including the Local Labour Forum
- Ensure implementation of findings of any forensic investigations undertaken by the municipality, agency or the relevant MEC in terms of section 106 of the Municipal Systems Act, 2000 or any other relevant legislation;
- Undertake the functions referred to in section 67(1)(h) and Schedule 2 of the Municipal Systems Act, read with any other relevant legislative provisions dealing with disciplinary matters, including criminal and civil action;

Resolution (c)

- Ratify all decisions of the Municipal Council and its committees, prior to implementation;
- Ratify all decisions taken by the Municipal Manager and section 56 Managers in terms of delegated or original authority;
- Implement a system to control and approve all expenditure including a system to reduce and contain operating expenditure (cost curtailment);
- Review the organizational structure of the municipality, and implement remedial actions which may be required;
- Prepare and implement a strategy to deal with service delivery failures with particular focus on water and sanitation including a strategy to deal with service delivery protests;
- Ensure the municipality complies with the requirements of the Intergovernmental Framework Relations Act, 2005.
- Endorsed the appointment of a financial expert to assist the Ministerial Representative in the implementation of the terms of reference including acting as Chief Financial Officer as may be necessary.

DRAFT

Resolution (d)

- Requested Provincial Treasury, Cogta and Department of Water Affairs and Sanitation to identify R40million required for the operations and maintenance (at Umkhanyakude DM) as a matter of urgency (Provincial Treasury made available R33m)
- Endorsed the interventions proposed by the Provincial Planning Commission especially to engage Umngeni Water Board to assist with a turnaround programme to ensure that people get water (urgently).

It must be noted though that what is contained in this write up is a summary of the initial arrangement that was made as a result of the decision by the Provincial Executive Council on the 07 October 2015. Since then a few changes have occurred with regards to employees that were identified for providing support and it is anticipated that there will always be such changes. Necessary updates will be made and affected stakeholders will be notified accordingly of such changes.

A Recovery Plan has been developed with a view to addressing identified deficiencies in the administrative system of the Municipality. The Plan will also help in tracking progress made in achieving set goals.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

3.1 SECTION A: TECHNICAL SERVICES & INFRASTRUCTURE SERVICES PERFORMANCE HIGHLIGHTS

Water Services Context

The water services backlog was determined utilising a combination of Census 2011, the UKDM asset register, and verified data from consultants to produce a combined GIS infrastructure database that shows a backlog of 30% of the population (access below National Standard). This is a significant improvement from the Census 2011 backlog of 53%.

UKDM Backlog - 2016

Local Municipality	Population	Percentage of the population with access BELOW National standard level of water service			
		Census 2011 Level of Water Services	Asset Register Infrastructure Data	Verified Consultants Infrastructure Data	Combined Infrastructure Data
Umhlabuyalingana	155140	52.7%	50.6%	60.2%	28.5%
Jozini	185790	62.4%	67.4%	47.1%	42.3%
The Big 5 False Bay	35195	37.0%	28.2%	32.5%	20.7%
Hlabisa	71902	60.8%	48.7%	37.9%	36.4%
Mtubatuba	175359	44.0%	50.3%	28.9%	17.6%
uMkhanyakude	623387	53.2%	54.1%	43.3%	30.0%

Source: Draft DC27 WSDP 2016

Historically the area has been characterised by many small stand-alone schemes utilising local water resources; supplying to a basic level of service in rural areas, and a higher level of service in urban areas. The Shemula, Jozini, Hluhluwe, and Mtubatuba are the only areas currently served by large capacity water treatment works. The remainder of the DM is served by small conventional or package treatment works, or schemes with chlorination only. The number of schemes, and the accessibility to these, has resulted in management and maintenance challenges, with schemes regularly not functioning at an optimal level, in some cases falling into disrepair, and others simply not having power or diesel to operate the pumps. These challenges have led the municipality to investigate bulk supply scheme options to try and improve on the sustainability of supply, and reduce the O&M challenges. The possible solution to the water supply infrastructure in the future is the careful combination of local water resources (including groundwater) with bulk supply sources.

A basic calculation of the current WTW capacity (94.5MI per day) and the demand based on current level of service (59.7MI/day), shows there is sufficient treatment capacity at present. This capacity excludes all boreholes that are utilised without a WTW, which provide significant additional water across the DM every day. The demand, however, takes into account only 15% water loss (good practice), and the current perceived need for additional treatment capacity is most likely due to high water losses. The previous lack of a water conservation water demand management strategy in the UKDM resulting in additional strain on the water resources, and the curtailment of losses should be viewed as a priority “water source” prior to the building of additional infrastructure capacity. As per the strategy of national government, expressed in the National Water Resource Management Strategy 2 (2014), the development of new water resource infrastructure will not be approved by the Department of Water and Sanitation, if WCWDM measures are not first implemented. Considering (1) the considerable problem with water losses; and (2) the large scale plans for water resource infrastructure development, the need for WCWDM interventions needs to be prioritised.

Water Demand Model

In order to have the flexibility to determine water demands for different spatial groupings, such as scheme or supply footprints, a zero base demand model based on Census demographics (with an applied growth rate to get current figures) and levels of service (at smallest grouping) was adopted for the demand modelling. Although the demand model is based on the official Census data and agreed unit demands it is not a stochastic model, involving random demographic and unit demand sampling and probability behaviour. It also does not allow for level of confidence or degree of accuracy calculations of the Census data, growth rates, nor of the unit demand values adopted. The low and high results represent the extremes of what the predicted water demands could be. These are calculated in the model by using the extremes of the range of each data item in determining the results. No statistical probability or reliability measure can be attributed to these figures, except to say that all actual results should fall somewhere within this predicted range.

Water Demand Summaries

Row Labels	Sum of Cur AADD(Rest LOS) Ave	Sum of Future AADD LOS 2020 Ave	Sum of Future AADD LOS 2025 Ave	Sum of Future LOS AADD 2030 Ave	Sum of Future AADD LOS 2040 Ave	Sum of Future AADD LOS 2035 Ave	Sum of Future HHI 2045 Ave
Hlabisa	5 228	8 867	9 498	10 759	15 099	13 363	18 571
Jozini	8 702	15 932	16 989	19 105	28 135	24 523	35 360
Mtubatuba	12 300	19 803	21 927	26 176	36 890	32 605	45 462
The Big 5 False Bay	5 762	7 814	8 503	9 880	11 578	10 899	12 936
Umhlabuyalingana	9 761	15 396	16 679	19 246	25 966	23 278	31 342
Grand Total	41 752	67 811	73 596	85 166	117 669	104 668	143 671

Row Labels	Sum of CurLOSSPD Ave range	Sum of Future SPF LOS 2020 Ave	Sum of Future SPF LOS 2025 Ave	Sum of 2030LOS SPDAve	Sum of Future SPF LOS 2035 Ave	Sum of Future SPF LOS 2040 Ave	Sum of 2045HHI SPD Ave
Hlabisa	7 690	12 503	13 445	15 331	19 206	23 082	26 958
Jozini	11 883	20 847	22 476	25 733	34 008	42 283	50 559
Mtubatuba	18 152	28 286	31 404	37 641	46 962	56 283	65 604
The Big 5 False Bay	8 845	11 699	12 743	14 831	16 118	17 405	18 692
Umhlabuyalingana	13 142	19 281	21 635	26 344	32 320	38 297	44 274
Grand Total	59 712	92 616	101 704	119 879	148 615	177 351	206 086

Source: Draft DC27 WSDP 2016

The average annual average demand (AADD) for 2015 (current), at five (5) year intervals to 2045 at a local municipality grouping are shown in the first table below, the with Gross Summer Peak Demands in the second table above.

Existing and Planned Infrastructure Capacity and Functional Evaluation

Deciding what footprint base to use to determine the demand; discuss or review the existing infrastructure or scheme capacities was found to be quite a challenge. Anomalies were found between the DWS Water Reconciliation Strategy footprints and the current distribution infrastructure. In addition, the level of detail in various infrastructure reports/GIS obtained from previous PSPs differed and subsequently was difficult to compare with one another.

The solution was to develop “Water Master Plan supply areas”, which are comprised of a larger supply area that simulate the seven (7) regional schemes aspired to by UKDM, bounded in instances by rivers, distance from source, topography; with smaller sub-schemes within those regional boundaries that are aligned with the existing infrastructure supply footprints and operational small schemes areas.

The six (6) water master plan supply areas are areas are Shemula, Jozini, Hluhluwe, Mpukunyoni, Mtubatuba, and Hlabisa. Water demands have been determined on sub-scheme level and the infrastructure evaluated at the same or sub-zone level. Sub-zones were defined for the specific purpose of reviewing bulk distribution main capacities, where the existing diameters were known and could be assessed.

The **Shemula WMP Supply Area** is divided into Shemula Eastern Sub-Supply Area and Shemula West and Central Sub-Supply Area.

Shemula Eastern Sub-Supply Area is divided into four (4) Sub-Schemes:

- Mshudu
- Thengani (Kwangwanase)
- Manguzi
- Enkanyezini

The Combined demographics and water demand for Mshudu, Thengane, Manguzi and Enkanyezini are:

- Total backlog of 9076 stands (ito Census 2011) that need to receive access to RDP supply
- Household growth of the combined eastern Shemula sub-schemes is from 11015 to 15069 households and a movement/migration of LOS as indicated achieving 25,8% YC supply by 2030.
- The capacity of the treatment works of 6,8Mℓ/day is sufficient for the current demand of 3,5Mℓ/day for 2015, or 4,52Mℓ/day with 50% losses
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 11 Mℓ/day.

The infrastructure capacity and upgrade requirements can be summarized as follows:

- The current WTW capacity is 6.8Mℓ/day. This is sufficient for the current demand of 3.5Mℓ/day. The demand will surpass the capacity by 2025 and will increase to 11Mℓ/day by 2035.
- The demand shortage can be addressed by utilising the Shemula Western and Central water Sub-Supply Area source.
- The demand from Shemula Western and Central Sub-Supply Area water source can be either 4Mℓ/day where the current Shemula Eastern region water sources are retained or 11Mℓ/day where the Shemula Eastern region water sources are discontinued.
- This will require an assessment of the bulk distribution from the Shemula Western and Central Sub-Supply Area.

The Shemula West and Central Sub-Supply Area is divided into six (6) Sub-Schemes:

- Manyiseni
- Ingwavuma
- Ndumo
- Embonisweni
- Phelandaba North
- Phelandaba South

The combined demographics and water demand for Manyiseni, Ndumo, Ingwavuma, Embonisweni, Phelandaba North and South are:

- Total of 14325 stands (ito Census 2111) that need to receive access to RDP supply
- Household growth of the sub-schemes combined is from 27057 to 31882 households and a movement/migration of LOS as indicated achieving 42% YC supply by 2030.
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 29 Ml/day.

The infrastructure capacity and upgrade requirements for Western and Central Shemula (Ingwavuma to Phelandaba) is summarized as follows:

- The current demand for the supply area is 11Mℓ/day
- The water treatment works has currently been upgraded and has a combined capacity to produce 27.5Mℓ/day and will therefore address the current demand shortfall.
- There is a shortfall of 1Mℓ/day for the projected 2035 demand
- The water treatment works will also supply the demand from Shemula Eastern Region. This will increase the demand of 28Mℓ/day to 32.7Mℓ/day if the Eastern Region current supply sources are retained or 39.5Mℓ if the sources are discontinued.

The **Jozini WMP Supply Area** is divided into Jozini Eastern Sub-Supply Area and Jozini West and Central Sub-Supply Area.

Jozini Eastern Sub-Supply Area is divided into seven (7) Sub-Schemes:

- ❖ Tshongwe Malobeni
- ❖ Othobothini
- ❖ Nondabuya
- ❖ Mjindini
- ❖ Jozini
- ❖ Mkuze
- ❖ Mhlekezi

The combined demographics and water demand for Jozini, Malobeni, Mjindi, Nondabuya, Mkuze and Othobothini are:

- ❖ Total of 12 611 stands (ito Census 2011) that need to receive access to RDP supply
- ❖ Household growth of the sub-schemes combined is from 28 167 to 32 173 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- ❖ The 20 year (2035) GSPD (Gross Summer Peak Demand) is 27 MI/day.

Jozini Eastern Sub-Supply Area is divided into two (2) Sub-Schemes:

- ❖ Mbazwana
- ❖ Mseleni

The Combined demographics and water demand for Mbazwana and Mseleni are:

- ❖ Total backlog of 3 010 stands (ito Census 2011) that need to receive access to RDP supply
- ❖ Household growth of the combined eastern Jozini sub-schemes is from 10 191 to 13 944 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- ❖ The capacity of the treatment works of 2.98 MI/day is insufficient for the current demand of 7.77 MI/day for 2015.
- ❖ The 20 year (2035) GSPD (Gross Summer Peak Demand) is 7 MI/day.

The **Hlabisa Water Master Plan Supply Area** covers the Hlabisa Local Municipality. The demographics and water demand for the Hlabisa Water Master Plan Supply Area are:

- ❖ 6433 stands (from Census 2011) that need to receive access to RDP supply
- ❖ Household growth in the Hlabisa Scheme from 12075 to 15230 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- ❖ The 20 year (2035) GSPD (Gross Summer Peak Demand) is 17.134 MI/day

The infrastructure capacity and upgrade requirements:

- ❖ in general, all components of the new Hlabisa scheme have been found to be sufficient for the present 2015, but upgrades are required for the future:
- ❖ Water registration needs to be increased to 2035 demand in conjunction with the Mandlakazi portion of the overall Hlabisa-Mandlakazi Scheme.
- ❖ An additional 8Mℓ WTW capacity would need to be provided for the 2035 demand for the Hlabisa portion.
- ❖ An additional 6Mℓ storage is required, the best location hereof would need to be investigated. Currently the available storage is at 18.5Mℓ, which we calculate to be that can be able to provide 37 hours storage for the ultimate design demand for 2035. We believe to be within acceptable capacity and the addition of storage will not be considered for further as part of this master plan, however, it should be considered during studies to be done in the future.

The **Hluhluwe Water Master Plan Supply Area** covers the Mtubatuba, Big Five - Hlabisa Local Municipalities. The supply area is divided into the sub-schemes that are served from the Hluhluwe 1 WTW at the Hluhluwe Dam, and the sub-schemes supplied by the Hluhluwe 2 WTW downstream of the Hluhluwe Dam.

Hluhluwe 1 WTW schemes:

- Hluhluwe Phase 1
- Hluhluwe Farms
- Hluhluwe Town
- Hluhluwe Phase 3

The demographics and water demand for the area supplied by the Hluhluwe 1 WTW are:

- Total of 3225 stands (ito Census 2011) that need to receive access to RDP supply
- Household growth year 2015 to 2045 of the sub-schemes combined is from 15295 to 22353 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 27 Mℓ/day.

The infrastructure capacity and upgrade requirements can be summarized as follows:

- Water registration needs to be increased to 2035 demand
- An additional 17Mℓ/day WTW capacity would need to be provided
- 30Mℓ additional storage is required, the best location hereof would need to be investigated
- The bulk line to Town and Phase 3 needs to be upgraded to 600mm diameter.
- The bulk line from Phase 1 needs to be upgraded to 315mm diameter.
- The bulk main from Town to Phase 3 needs to be upgraded to a 500mm diameter.

Hluhluwe 2 WTW schemes:

- Hluhluwe Phase 2
- Hluhluwe Phase 4

The demographics and water demand for the area supplied by the Hluhluwe 2 WTW are:

- Total of 4587 stands (ito Census 2011) that need to receive access to RDP supply
- Household growth from year 2015 to 2045 the sub-schemes combined is from 13083 to 22332 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 24 MI/day.

The infrastructure capacity and upgrade requirements can be summarized as follows:

- Water registration needs to be increased to 2035 demand
- An additional 20 MI/day WTW capacity would need to be provided
- 27MI additional storage is required, the best location hereof would need to be investigated
- The bulk line from Hluhluwe 2 WTW to Phase 2 needs to be upgraded to 500mm diameter.

The **Mtubatuba Water Supply Scheme** covers the towns of Mtubatuba and St Lucia. The demographics and water demands for the Mtubatuba Supply area:

- Total of 2689 stands that need to receive access to RDP supply(Census 2011)
- Household growth year 2015 to 2045 is from 12171 to 20628 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 18.4 MI/day

The infrastructure capacity and upgrade requirements can be summarized as follows:

- the WTW and storage available is adequate for the ultimate demands at 2035,
- the abstraction licence needs to be increased to cater for the additional future demands.
- distribution upgrades required are:
 - 400mm diameter 3 km bulk to kwaMsane.
 - 600mm diameter upgrade from Mtubatuba to Monzi Reservoir
 - 250mm diameter 6 km bulk from Monzi Reservoir to Kula Village.
 - 100 mm diameter 7 km main to Monzi SP Elevated tank.

The **Mpukunyoni Water Supply Scheme** is a large scheme in the western side of Mtubatuba Local Municipality. The demographics and water demands for the Mpukunyoni Supply area are summarised as follows:

- Total of 5832 stands that need to receive access to RDP supply(Census 2011)
- Household growth year 2015 to 2045 is from 10815 to 18465 households and a movement/migration of LOS as indicated achieving 48% YC supply by 2030.
- The 20 year (2035) GSPD (Gross Summer Peak Demand) is 21.2 MI/day.

The infrastructure capacity and upgrade requirements can be summarized as follows:

- The Water registration needs to be increased to 2035 demand.
- An additional 16Ml/day WTW capacity would need to be provided.
- An additional 15Ml storage is required,
- Focus must be on the water conservation and water demand management measures
- Distribution upgrades required are:
 - 500mm diameter 12 km bulk to Dolombo Reservoir.
 - The main supplying uThungulu DM is not known, however, from our calculation, a 250mm diameter main is required

Infrastructure Project Development

All projects have been prioritised using a combination of weighting criteria - Strategic Importance; Extent of Cost Ratio; Per Capita Consumption (l/capita/day); Non-Revenue Water; Functional Criticality of Scheme; Institutional Capacity; Available Co-funding; and Implementation Readiness. Furthermore, the location of the project was evaluated by identifying 1) the associated per capita cost, 2) the percentage of people who are currently unserved within that project footprint, and finally the per capita daily demand (ℓ/c/d). A high per capita daily demand would signal a large number of households who currently have a reasonably high level of service and are therefore less of a priority than areas which are completely unserved.

Highlights of Service Delivery Implementation from 2011 to 2016

Umhlabuyalingana Municipality

uMhlabuyalingana Water

- Upgrading the Shemula Water Treatment plant to benefit 62 700 households in Jozini and uMhlabuyalingana
- Implementation of the eNkanyezini Water Scheme to benefit 3070 households
- 3 Water tankers provided to service uMhlabuyalingana

Borehole Programmes

- 15 boreholes were equipped under drought relief at Oqondweni, Mtanenkosi, Manzibomvu, Sphahleni, Mphakathini, Ntshongwe, Othungwini, Mahlakwe, Mbubeni, KwaMboma, Ndalini, Sicabazini, Sihangwane, Bhekabantu, Bunganeni

uMhlabuyalingana Capital Projects

Project Name	Category	2016/17	2017/18	2018/19
Manguzi Star of the Sea	Water	R 8 000 000,00	R 10 000 000,00	R 15 000 000,00
KwaZibi Water Project	Water	R 24 999 903,00	R 15 000 000,00	R 24 000 000,00
Greater Mseleni Water Supply Scheme	Water	R 3 000 000,00	R 15 000 000,00	R 15 000 000,00
Mabibi Scheme Refurbishment	Water	R2 731 000,00	R0,00	R0,00
Refurbishment of Manguzi WWTW	Sanitation	R 8 000 000	R0,00	R0,00

Jozini Municipality

Jozini Water

- Upgrading the Shemula Water Treatment plant to benefit 62 700 households in Jozini and uMhlabuyalingana
- Implementing the Jozini Bulk Regional Scheme (40 Ml/day) to benefit 50 200 households in Jozini, uMhlabuyalingana and Big Five
- Implementing KwaJobe Community Water Scheme to benefit 3062 households
- Upgrading of Mkuze Treatment Works to 5Ml/day to benefit 1362 households.
- Refurbishment of Machibini water scheme
- 5 Water Tankers were provided to Jozini local municipality

Borehole Programmes

- 5 boreholes were equipped under drought relief at Kwa Dinabanye Kumkhamu, Nhlabende, Kings Palace, Madinyana and Khume
- 17 boreholes drilled at Mambuzikazi, Lindizwe Okholweni (Sandile), Ezimambeni Ward 15, Ezimambeni Ward 15 ,Pangani Khume, Khume Sola, Manganini A, Manganini C , Manganini B, Kwagiba, Mangayini D, Mambuzikazi, Lindizwe Okholweni,

Sanitation

- 6254 households have benefitted under the Ingwavuma Sanitation Project (Wards 9,10,11,12,13,14,15,17,18,19)
- 2009 households have benefitted under the Jozini Rural Household Project (Wards 3,4, 20)

Jozini Capital Projects

Project Name	Category	2016/17	2017/18	2018/19
KwaJobe Community Water Supply Scheme(Nthongwe/Malobeni)	Water	R 13 000 000,00	R 15 000 000.00	R 20 000 000.00
Refurbishment of Mkuze - Ubombo water scheme	Water	R2 000 000.00	R6 561 400.00	R0,00
Jozini Regional Community Water Supply Scheme Phase 1A	Water	R 15 000 000.00	R 15 000 000.00	R 20 000 000.00
Shemula Water Supply Scheme - Shemula to Ingwavuma Upgrade	Water	R0,00	R 15 000 000,00	R 9 500 000,00
Mkuze WTW Upgrade and Refurbishment	Water	R14 063 809.51	R0,00	R0,00
Jozini- Ingwavuma Reticulation Project	Water	R0,00	R 5 000 000,00	R 10 000 000,00
Mhlekezzi CWSS	Water	R5 500 000	R5 000 000.00	R 10 000 000,00
Rehabilitation of existing Jozini Scheme	Water	R3 146 416.00	R0,00	R0,00
Rehabilitation of existing Shemula Scheme	Water	R5 000 000.00	R10 000 000.00	R10 736 880.00
Greater Ingwavuma Phase 2	Water	R0,00	R10 000 000.00	R15 000 000.00
Nondabuya CWSS Upgrade	Water	R 1 500 000,00	R 5 250 000.00	R 8 750 000,00
Ingwavuma Boreholes (Drought)	Water	R3 497 135.00	R0,00	R0,00
Ingwavuma Interim Water Supply	Water	R19 345 668,00	R2 830 653	R0,00
Ingwavuma Sanitation	Sanitation	R 26 288 628,15	R 13 328 550,00	R 15 417 443,60
Thembaletu Sanitation Project	Sanitation	R 7 000 000.00	R 10 000 000,00	R15 000 000.00
Jozini Low Cost Housing Sewer Upgrade	Sanitation	R 3 000 000,00	R 15 000 000,00	R 15 000 000,00
Jozini RHIG Sanitation Project	Sanitation	R4 000 000.00	R 4 500 000.00	R5 000 000.00
Jozini-Ingwavuma Bulk Water Supply (RBIG)	Water	R47 000 000,00	R0,00	R0,00
Jozini – Ingwavuma Reticulation	Water	R 4 000 000,00	R 5 000 000,00	R 10 000 000,00
Refurbishment of Ingwavuma WWTW	Sanitation	R66 000 000	R0,00	R0,00

The Big Five Hlabisa Municipality

Water

- Implementing the Hlabisa Mandlakazi Bulk Water Project to benefit 9619 households
- Upgraded the Hluhluwe dam Water Treatment Upgrade from 2Ml/day to 10Ml/day plant which provides water to 34 000 people.
- 4 Water tankers were allocated for the use of Big Five

Borehole drilling programme 2014/15

- 3 boreholes equipped under drought relief at Mnqobokazi, Nibela, Hluhluwe Farms
- 19 boreholes equipped in Hlabisa at Nonpondo, Macabuzela, Makhowe , Ezibayeni, Ngodini, Ekuphindisweni, Magengebula, Qunwani, eMthekwini, Sqiwini, Gula, Ophaphasi, Ntabenkoni, Mpempeni, Magengula, Ngodini, Mzinene, Madulini, Matshamhlope
- 4 boreholes were drilled with uMgeni Water at Mnqobokazi, Bangizwe, Qomkuphila, kwaGiba

The Big 5 Hlabisa Capital Projects

Project Name	Category	2016/17	2017/18	2018/19
Refurbishment of Hluhluwe WWTW	Sanitation	R10 448 642	R0,00	R0,00
Hlabisa Mandlakazi	Water	R15 000 000	R11 579 817.78	R0,00
Hluhluwe Phase 1 Upgrade	Water	R2 000 000	R4 946 784.00	R0,00
Augmentation of Hluhluwe Waste Water Treatment Works and New Sewer Network	Sanitation	R0,00	25 000 000	R30 000 000
Refurbishment of Hluhluwe WWTW	Sanitation	R6 000 000	R0,00	R0,00

Mtubatuba Municipality

Mtubatuba Water

- Dukuduku Resettlement Project - Water Supply Project implemented to benefit 170 463 people
- Implementing the Hluhluwe Phase 4 project 34 000 people benefited in the Mpukunyoni area
- 5 boreholes drilled by uMgeni at KwaMsane, Nordale, Mtubatuba library, St Lucia
- 8 boreholes equipped under the drought relief programme at Mapheleni, Madwaleni, Nkodibe, kwaMshaya, Nkombose (old Pit Site), Ophaphasi (old BH Site), eBaaswazini, Nkundusi
- Installation of wells at uMfolozi
- 3 Water truck tankers provided to Mtubatuba

Sanitation

- 9712 households have benefitted under the Mtubatuba Sanitation Project

Mtubatuba Capital Projects

Project Name	Category	2016/17	2017/18	2018/19
Du`kuduku Resettlement Project	Water	R 15 247 000	R 13 213 420,00	R 11 786 580,00
Mpukunyoni Water Scheme Upgrade /Remedial	Water	R 8 000 000.00	R 12 661 765.00	R0,00
Nkolokhoto Treatment Works Upgrade	Water	R0,00	R 5 500 000,00	R 4 500 000,00
Hluhluwe Phase 2 Upgrade	Water	R5 270 005.00	R0,00	R0,00
Bhoboza to KwaMsane Gravity Main Project	Water	R 3 912 792.00	R0,00	R0,00
Mtubatuba Emergency – Wellpoint installation	Water	R 2 229 112.00	R0,00	R0,00
Mtubatuba Sanitation	Sanitation	R 13 000 000.00	R 15 000 000	R 15 000 000
Nkunduzi Interim Water Supply	Water	R 2 687 127,00	R0,00	R0,00

District-Wide Programmes

Project Name	Category	2016/17	2017/18	2018/19
WSDP Development	Water & Sanitation	R3 000 000	R0,00	R0,00
Borehole Development Phase 2	Water	R5 323 504	R0,00	R0,00
Borehole Development Phase 3	Water	R8 328 000	R0,00	R0,00
Borehole Development Phase 6	Water	R10 000 000	R 17 537 9120	R30 000 000
Rehabilitation of existing Shemula Scheme	Water	R5 000 000	R10 000 000	R10 736 880
Refurbishment & Upgrade of WWTW	Sanitation	R8 000 000	R10 000 000	R8 000 000
WCWDM Programme within uMkhanyakude	Water	R 34 026 630,49	R 15 000 000,00	R 25 000 000,00

3.8.4.6 Current Status of Capital Projects Implementation

RBIG Programme – Umhlathuze Water

Project Name	Budget 2015/16	Expenditure to date	Progress to date
Jozini to Ingwavuma Regional Bulk Water Scheme	R290m	R 262 668 571.00	<ul style="list-style-type: none"> • Raw water pipeline - 98% • Water Treatment Works - 85 % Estimated Hand Over 30 June 2016 • Construction Of Gravity Mains, Reservoirs, And A Pump Station To Supply Zone 8, 11, & 12 - 15% • Installation of bulk pipeline and construction of 500kl reinforced concrete reservoirs at mfithi - 51% • Bulk pipeline and construction of 500kl reinforced concrete reservoirs at Nongoma and kwaBheka – 50% • Construction Of Portable Water Pipeline From Jozini Local Reservoir To The Pongola River – 2% • Construction Of 16,5ml Reservoir And Associated Pipework At Jozini Local Reservoir Site – 2%
Construction Of 800mm Diameter – 2.6km Mtubatuba Steel Pipeline	R15m	R 15 031 656.77	The contractor is almost complete with all the works with the exception of the road crossing. Progress is at 90%
Hlabisa Bulk Supply	R8m	R 6 000 000.00	The project is complete with only commissioning outstanding. It is outstanding due water shortage coming from Mandlakazi.
Hluhluwe phase 4 water supply	R22.5m	R0	Waiting for the signing of the funding agreement

MIG Programme

Project Name	Revised budget	Expenditure to date	Progress to date
Hlabisa Mandlakazi	R 29,692,869.00	R 24 383 460.64	<ul style="list-style-type: none"> Five contractors were appointed to do this project, and were Dee Dee Enterprise, Ziqoqe Construction, Makhathini Projects, Magedla Construction and MKT Construction. A non-performance certificate was issued to Ziqoqe Construction and MKT Construction due to non-performance Magedla Construction and Makhathini Projects are the only contractors on site to date, and their work is due for completion at the end of May 2016. Progress to date is 91%
Hluhluwe Water Supply Phase 1	R 2,966,580.00	R 1 064 934.43	<ul style="list-style-type: none"> The contractor's progress on site has been notably very slow. The contractor has been given a programme to follow up to the end of May 2016 to complete the works,
Ingwavuma VIP Sanitation	R 22,899,000.00	R 14 929 578.48	<ul style="list-style-type: none"> The contractor is progressing very well, progress is 58%, due for completion June 2017 9712 Beneficiaries to date 1004 Beneficiaries this F/Y in Jozini Wards 9,10,11,12,13,14,15,17,18,19
Jozini Regional CWSS	R 20,500,000.00	R 9 037 902.89	<ul style="list-style-type: none"> Progress is 5% to date. The contractor has already established on site and construction has commenced. 5250 households to benefit in Jozini Ward 7
Kwajobe Community Water Scheme (Ntshongwe Malobeni)	R 3,000,000.00	R -	<ul style="list-style-type: none"> Phase 2 – 100% Ward 4 benefitting Phase 3 – On Procurement. tender closed on 01 April 2016. (Ward 4, 3 to benefit) Umgeni Water has been given the document to price for ward 5 refurbishments.
Manguzi Star of the Sea Water Scheme	R 8,269,108.00	R 4 369 529.73	<ul style="list-style-type: none"> Priced Bill of Quantities has been agreed with Umgeni Water for resuscitating water supply to 10 boreholes supplying water to Thengani, Mshudu, Airfield. MOA between UKDM and Umgeni Water is being finalized.

Project Name	Revised budget	Expenditure to date	Progress to date
Mkuze water Treatment upgrade & Refurbishment	R 13,000,000.00	R 8 088 218.86	<ul style="list-style-type: none"> Contractor's progress to date is 24%.
Mpukunyoni CWSS	R 3,000,000.00	R -	<ul style="list-style-type: none"> AFA has just been approved for the construction of KwaMshaya and Phaphasi Reservoirs. The contractor was requested to commence with the project on site after the approval of funds, but raised concerns that the appointment was issued 21 months ago. Escalation cost has been offered to him, but he has rejected them, and put a legal letter which the experts are preparing a response.
Mtubatuba sanitation	R 24,108,420.00	R 17 204 681 54	<ul style="list-style-type: none"> 12140 households to benefit 6254 Beneficiaries to date 1322 Beneficiaries this F/Y in Wards 9,10,11,12,13,16,19 The project is 94% completed, and progressing very well. The challenges that the project is continuously experiencing, are late payments by UKDM
Shemula water upgrade	R 15,000,000.00	R 16 838 493.70	<ul style="list-style-type: none"> Phase 1 Water Treatment Works – Complete (30 000 people have access to water) Phase 2A (Link to Ndumo) – Tenders Closed and are under evaluation
Thembaletu Sanitation	R 5,736,073.00	R 1 496 464.85	<ul style="list-style-type: none"> Progress 80% Urban renewal – Discussions with uMgeni underway
WCWDM Programme within Umkhanyakude DM	R 50,048,025.78	R -	<ul style="list-style-type: none"> Service Provider Appointed. They have site established on site on Monday 04 April 2016. The delivery of 6000 domestic water meters has been done. They are busy doing verification of bulk water meters and also analysing the system. Progress is 10%, the allocated budget of R50 048 025,78 this financial year will all be spent on 30 June 2016

Project Name	Revised budget	Expenditure to date	Progress to date
Refurbishment & Upgrades of WWTW and sewer networks	R 13,000,000.00	R -	<ul style="list-style-type: none"> Umgeni Water was given a tender document for pricing for the rehabilitation of Jozini sewers
Ingwavuma Boreholes (Drought)	R 5,497,135.00	R -	<ul style="list-style-type: none"> Umgeni Water has been given the document to price, and also the MOA between UKDM and Umgeni Water is being finalised

Section 32 was effected to speed up the Water Meter Programme

The Following Business plans have been submitted to DWS to absorb work done by uMgeni:

- Shemula Refurbishment Programme - R27 236 880
- Bethesda – uBombo Refurbishment R8 561 400
- Borehole Refurbishment Programme – R25 000 000
- Jozini Refurbishment Programme - R 5,146,416.00

3.8.4.7 Drought Relief Programme

Project Description	Approved Budget	Progress	Target No of Households to be served
Ingwavuma Drought relief <ul style="list-style-type: none"> • Development of 4 boreholes (KZN 140150, 140155, 140154 & 140148); 	5,497,135	Construction - 0% Contractor award was "disputed" by Provincial Treasury resulting in stoppage of the project. The project has been moved to MIG.	1819
Bulk pipeline Mtubatuba to KwaMsane A new gravity main from existing Mtubatuba Heights reservoir to the existing KwaMsane reservoirs (DN300, 2.5Km long steel pipe.	22,766,508	Construction progress to date - 78%	3368
Hluhluwe Phase 2 Upgrade Upgrading the Hluhluwe phase 2 WTW from a 1.8ML/d to a 3.8ML/d package treatment plant,	13,177,327	Construction - 60%. Expected end date 30 May 2016	5250

Drought Relief Programme...

Project Description	Approved Budget	Progress	Target No of Households to be served
<p>Phase 4: Mtubatuba Emergency Drought Relief</p> <ul style="list-style-type: none"> • Siting, Drilling and testing of a single borehole near Mtubatuba WTW, four boreholes at Kwa Msane reservoir and one borehole at the St Lucia (total new boreholes is 6) • Refurbishment of 4 existing boreholes and the line feeding the Mtubatuba WTW. • Construction of a well system to improve water intake to the Mtubatuba WTW. 	10,305,857	<p>Equipping of Boreholes</p> <p>a) 4 existing boreholes have been equipped and commissioned and</p> <p>b) Pump at the lake adjacent to Mtubatuba WTW has been installed</p> <p>c) One new borehole equipped</p> <p>d) 3 boreholes were drilled and equipped at KwaMsane</p> <p>e) Well dewatering</p> <p>Construction 60%</p> <p>Expected end date 30 April 2016.</p> <p>Remedial work at the treatment works pipework for wells installed.</p>	29931
Borehole Drilling	17,101,900	<p><u>Jozini LM:</u></p> <p>Drilling complete – 11/15 successful boreholes, 4/15 dry. 5 boreholes equipped. 6 Still need to be attached, however they have water quality issues. Suggest installation for animal drinking water pending client approval</p> <p><u>Mtubatuba:</u></p> <p>14/14 successful boreholes drilled, 1/14 with seepage (Dry). Equipping in progress</p> <p><u>Hlabisa :</u></p> <p>Drilling complete -25/25 successful boreholes drilled, 4/25 dry.</p> <p><u>Big 5:</u></p> <p>(4/4 boreholes) completed. 3 are equipped and commissioned</p> <p><u>uMhlabuyalingana</u></p> <p>16 Drilled</p> <p>16 have been equipped and commissioned.</p>	2,821

Drought Relief Programme Expenditure

Sub Projects	Budget	Amount Invoiced	Amount Paid	Expenditure	% Expenditure
Boreholes	17,101,900.00	10,632,083.82	9,481,959.23	10,632,083.82	62%
Refurbishments and Upgrades	51,746,827.00	28,790,764.72	24,658,569.12	27,999,546.27	54%
Water Tanks	2,000,000.00	1,834,948.82	1,729,185.97	1,729,185.97	86%
Water Tanker Procurement	22,311,396.00	22,311,396.00	22,311,396.00	22,311,396.00	100%
Phase 2 Interim Water Tankering	19,651,272.00	18,130,998.66	14,599,414.45	15,305,927.86	78%
Total	112,811,395.00	81,700,192.02	72,780,524.77	77,978,139.92	69%

3.2 SECTION B: PLANNING AND ECONOMIC DEVELOPMENT (PED) SERVICES PERFORMANCE HIGHLIGHTS

3.2.1 UMKHANYAKUDE DISTRICT DEVELOPMENT PLANNING SHARED SERVICES

Development Planning Services Programme (DPS)

Under the reporting period the Development Planning Services was strategically responsible for the overall facilitation, coordination, implementation, management and monitoring of the following core functional areas as well as Performance Highlights presented below according to each core function. A table under each core function is provided indicating broad challenges that was facing the section under reporting period. Similarly a suit of possible recommendations to the identified challenges is included in the same table.

Development Planning Services

Key Performance Areas (KPA's):

- Cross-Cutting Issues
- Institutional Development & Public Participation

Core Functions & Services

- Spatial Planning
- Land Use Management & Administration
- Geographical Information System (GIS)
- Human Settlement Planning & Coordination
- Integrated Transport Planning
- Environmental Planning & Management
- Building Inspectorate and Control
- District Development Planning Services Governance & Coordination (i.e. District Development Planners Forum)
- District Environmental Planning & Management Governance & Coordination (i.e. District Environmental Planning & Management Forum)

THE 2015/2016 DEVELOPMENT PLANNING SERVICES PERFORMANCE HIGHLIGHTS:

- Successfully ensured the Review and adoption of the District-Wide Spatial Development Framework (SDF) 2015/2016;
- Supported and Coordinated the Review & Adoption of Spatial Development Frameworks (SDFs) 2015/2016 FY of Family of Municipalities,
- Participated in the Implementation of the Provincial Formalization Programme of Manguzi, Mbazwane, Hlabisa, Big 5 False Bay, Jozini Towns
- Represented uMkhanyakude in the Implementation of the iNkululeko Development Projects – Ndumo

- Coordinated and supported the preparation of the six (6) Jozini Municipal Nodal Schemes of Ndumo, Ingwavuma, Mkhuze, Jozini, Bhambanana, & uBombo.
- Participated on the Implementation of the KZN-Cogta-Funded Jozini Town Expansion Project
- Participated in the preparation of Mkhuze Nodal Plan/Urban Design Framework Plan Initiated and Managed by uMhlosinga Development Agency.
- Supported and coordinated the processing of Planning & Development Act (PDA) development applications throughout the District and submitted 4 quarterly PDA Register reports to Council for consideration.
- Represented the District in all KZN Provincial Planning Law Forum Meetings.
- Represented the District in all Provincial Geographical Information (GIS) Technical Forum Meetings.
- Represented the District in GISSA-KZN AGM's and served as a member.
- Provided Mapping Services to the District and its Local Municipalities
- Coordinating the implementation of Geographic Information Systems throughout the District by providing support with data, assist in procuring GIS Infrastructure such as Software, Hardware.
- Facilitated the Marketing of GIS Services by Developing Marketing Materials such as posters, base maps for the District and Local Municipalities.
- Managed and maintained District Database by ensuring cleanliness of datasets through capturing, sourcing new information and removing outdated information in the system
- Represented the District in all the Provincial Environmental Management & Coordinating Committee (PEMCC) Meetings
- Coordinated and Managed the functioning of the District-Wide Development Planners Forum by staging at least six (6) Forum Meetings.
- Successfully Managed the Development Planning Shared Services (DPSS) facility.
- Successfully Compiled the revised District-Wide DPSS Business Plan for 2015- 2016
- Facilitate and Compilation of DPSS Monthly Reports and submitted to COGTA especially Grant reports.
- Coordinated SPLUMA Implementation within the District in partnership with LMs;
- Contributed in the Annual Review and Adoption of 2015/2016 FY District and Local Municipal Integrated Development Plans (IDPs) by 30 June 2016.
- On an ongoing basis continued to provide development planning input, support and advise in various sector-specific forums and platforms as and when required such as follows: Local Municipal Housing Forums, LED Forums, Tourism Forum, Infrastructure Forum, Waste Management Forum; IDP Representative Forum (RF); Etc.....
- Facilitated the establishment and functioning of the District-Wide Environmental Planning & Management Forum;
- Facilitated for appointment of the Environmental Planning Officer;
- Participated & Contributed in the Annual Review of the Human Settlement Plans as well as the functioning of the Human Settlement Forums for Family of municipalities.
- Participated in the Traditional Master Planning Project in partnership with COGTA and Sector Departments.
- Participated in the Umkhanyakude Waster Master Planning Project by uMhlathuze Water in conjunction with uMkhanyakude District and Sector Departments.
- Coordinated and facilitated the 2015/2016 FY Annual Strategic Planning Session;

Key Challenges & Recommendations:

Challenges	Recommendations / Action Plans
1. General lack of a culture of reporting and accounting to various municipal structures about the activities performed by the Development Planning services section	<ul style="list-style-type: none"> Engage in ongoing reporting to various structures, i.e. Planners forum, Manco, Portfolio Committees, EXCOs, Council, etc...
2. Lack of adequate knowledge and understanding of the strategic importance of the development Planning function within the family	<ul style="list-style-type: none"> Ongoing Training, Capacity Building and awareness Campaigns Making Presentations, and develop marketing platforms etc...
3. Inadequate adherence to the Provision of the District and Local Municipalities SDFs, Schemes and Building Bylaws and thus leads to Extensive Urban Sprawling.	<ul style="list-style-type: none"> Ongoing Training, Capacity Building and awareness Campaigns Making Presentations and develop marketing platforms etc... Ensuring that the SDF and schemes and bylaws are well implemented and adhered to and used as guide for day to day decision making in municipalities.
4. Lack of a fully functional GIS System in the District and Local Municipalities due to lack of Capacity among other reasons	<ul style="list-style-type: none"> Making Budgets available to acquire needed GIS Hardware and Software Appointing GIS Operators to strength the GIS services and tackle the shortage of GIS Staff. Establishment of the District-Wide GIS Hub where data will be incorporated into a central data repository and make it be available to all.
5. Lack of implementation of a single Long Term District-wide Growth & Development Plan	<ul style="list-style-type: none"> Facilitate the Implementation of the District-Wide Growth & Development Plan (DGDP) to guide long term planning & development in the district
6. Lack of adequate capacity and necessary to perform the Environmental Planning & Management function in the District	<ul style="list-style-type: none"> Environmental Planning & Management Positions made available in the PED Organogram to be filled to enhance the capacity of the Unit. Facilitate the Implementation of the District-Wide Environmental Management Framework (EMF) Plan Compile, Adopt & implement the District-Wide Integrated Waste Management Plan (IWMP) Establish the District-Wide Environmental Planning & Management Forum to help coordinate all related issues in the DM
7. Lack of a Comprehensive Framework Plan for the implementation of Land Use Management Systems & Administration function throughout the District	<ul style="list-style-type: none"> Compile and Adopt a comprehensive Framework Plan for the Preparation of Wall-to-Wall Schemes in terms of SPLUMA & PDA throughout the District
8. General lack of understanding of the implications of the latest Planning Laws in Municipalities, i.e. Spatial Planning & Land Use Management Act (SPLUMA) & Planning & Development Act (PDA).	<ul style="list-style-type: none"> Facilitate Planning Laws Training & Awareness Sessions throughout the District and with other key stakeholders Establish the Municipal Planning Tribunal (MPT) Institutionalize the implications of the new Planning Laws by amending the Organizational structures and making budget provisions.
9. Lack of a reviewed District-Wide Integrated Public Transport Network (IPTN)	<ul style="list-style-type: none"> Compilation and Adoption of the District-Wide Integrated Public Transport Network (IPTN) for uMkhanyakude Family of Municipalities
10. Delays in the establishment of the District-Wide Joint Municipal Planning Tribunal (JMPT)	<ul style="list-style-type: none"> Secure Principle resolution from Municipal Managers Forum to fast-track the signing of the JMPT Agreement by 30 June 2016 Facilitate the process of developing & gazetting of SPLUMA By-

Challenges	Recommendations / Action Plans
	laws before 30 June 2016
11. Lack of institutionalization of the Building Inspectorate and Control Function within the District and Local Municipalities	<ul style="list-style-type: none"> • Prepare and Submit a Business Plan to source funding from KZN-Cogta for the appointment of the Building Inspector at a District level. • Facilitate for the institutionalization of the Function by local Municipalities

Achievements

Despite the challenges, the Development Planning Shared Services served successfully in all competences outlined in the core functions and services. However the Unit grows from strength to strength, hence some DPSS position were filled thus strengthening capacity and enabling capacity support to the Local Municipalities.

Environmental Management

KEY PERFORMANCE AREAS	HIGHLIGHTS OF THE ACHIEVEMENTS
Facilitate and coordinate environmental capacity building and awareness initiatives	<p>CAPACITY BUILDING:</p> <p>The following capacity building initiatives were facilitated and conducted in the period over review:</p> <ul style="list-style-type: none"> • Waste Management Workshop (27/10/2015). The workshop kicked off with both the Province and District presenting on the status of Waste Management in the District. A concern was raised regarding Licensing of landfill sites, wherein almost all waste disposal sites in the District would be licensed for closure. This was seen as contribution to widespread littering. In response to the concern the provincial department indicated that there were conditions contained in the licenses and that none of the sites would be closed immediately. This to allow municipalities to plan accordingly, and also allowing relevant sector departments to intervene accordingly. <p>As part of way forward the following commitments were made:</p> <ul style="list-style-type: none"> – Compilation of a district-wide report on the progress of the licensing of landfill site process, and elevation of such report to MANCO/EXCO/COUNCIL – Quarterly engagement in the District for sharing of best practices. Both National and Provincial departments to participate. The quarterly engagement would in a form of Waste Management Officers' Forum – Development of a District-wide Action Plan which must be aligned with IDPs, Budgets, SDBIPs and PMS. The plan must have timeframes and responsibility columns. The quarterly engagement would focus on the implementation of the Action Plan – Development of a District-wide Capacity-building and Awareness programme. <ul style="list-style-type: none"> • Climate Change Toolkit Training for the uMkhanyakude District family of

	<p>municipalities (03/06/2016). The workshop was supported by SALGA and DEA. The District Disaster Management Unit and the District Environmental Management Unit (through the LGS official) made presentations highlighting the District approach to Climate Change. One of the way-forward was that SALGA and DEA would be invited on one of the Planners; Forum session wherein practical exercise would be undertaken, i.e. integration of climate change issues into the IDPs).</p> <p>Also, way-forward included the following issues:</p> <ul style="list-style-type: none"> - Climate change as an standing agenda item in Provincial Disaster Forum - Training to be provided as part of the new councilors induction program <ul style="list-style-type: none"> • Marine & Coastal Legislation Enforcement workshop (25 – 26/02/2016):The Workshop was conducted by DEA’s Legal Authorization, Compliance and Enforcement Branch focusing on enforcement of Integrated Management Act (Act 36 of 2014) and improving understanding on current challenges faced in its implementation faced by different institutions mandated or delegated to implement this legislation. • Waste Management Khoro (31 April -02 May 2016): The Khoro provided waste practitioners and other stakeholders such as the private sector to engage in addressing the challenges facing the waste management sector. The theme for the 2015 Waste Khoro was “PROMOTING INNOVATION AND UPSCALING ENTERPRISE DEVELOPMENT: Delivering the Tools of the Trade”. The programme included commissions on the following topics; <ul style="list-style-type: none"> - Research, Development and Innovation - Best Practice Technologies - Waste Recycling Enterprise Development and Support - Special Commission on the Minamata Convention on Mercury <p>ENVIRONMENTAL EDUCATION AND AWARENESS:</p> <ul style="list-style-type: none"> • An Environmental Education & Clean-Up Strategy (Jozini Waste Education & Awareness Strategy) was developed and compiled. <ul style="list-style-type: none"> ○ As part of the Jozini Waste Education & Awareness Strategy; the following clean-up & awareness campaigns were conducted in the period over review: <ul style="list-style-type: none"> - A clean-up Campaign was conducted on the Jozini P522 Road linking Jozini town and the N2 highway (05/08/2015). A 5 KM stretch was cleaned on the day. - Commemoration of the World Environmental Calendar Day by conducting a litter pick-up and clean-up was facilitated targeting the Main Road to Jozini Town. A major clean-up around the now closed illegal waste disposal site adjacent to the Jozini Road was also conducted. The motive behind the clean-up was widespread littering along the Jozini road that has been cited as one of the main threats to Tourism sector growth in the municipality. • A 2-day P522 Road Clean-up Campaign was conducted (11 & 12/11/2015). P522 road links Jozini town to the N2 Highway, and is characterised by indiscriminate littering along the sides of the road. The waste found along the road is not only waste thrown out from cars, it is hygiene waste such as nappies which are not thrown as single nappies but in refuse bags.
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	<ul style="list-style-type: none"> • A clean-up was also conducted at the Sibandlane Waste Disposal site (24/11/15) which is along the P522 road. The site has been closed by the municipality subsequent to the licencing for closure process by DEA. However, following the removal of the fence and the entrance gate, dumping on the site has continued, and during windy days such waste gets blown into the road and the river stream nearby. • Also facilitated and conducted 3-phase awareness campaigns as part of Jozini Local Municipality Waste Jozini Waste Education & Awareness Strategy: <ul style="list-style-type: none"> – Jozini Cleaning & Awareness Education campaign(20/05/2016) – Mkuze Cleaning Campaign(10/06/2016) – INgwavuma Clean-up & Awareness Campaign(24/06/2016) • The Simple Clean Awareness Campaign school competition (13/08/2015). This initiative was aimed at creating awareness on waste management issues and enhancing the knowledge of good waste management practices, focusing on school learners. It was part of the Youth Jobs in waste programme. In line with the Jozini Waste Education & Awareness Strategy, this initiative focused on schools around Jozini Local municipality. 14 schools were invited to participate in the campaign, but 13 schools participated. The identification of schools to participate in the programme was based on areas that are considered high-spots in terms of waste/litter challenges. Therefore only schools that are within those identified high-spots were therefore included to take part in the essay and artcraft competition.
Support the planning & implementation of Environmental Management programmes in Municipalities	<p>MUNICIPAL PROJECT PROPOSALS DEVELOPED:</p> <p>The following project proposal was prepared and compiled:</p> <ul style="list-style-type: none"> ▪ KZ272 Integrated Waste Management Programme: <ul style="list-style-type: none"> ○ Overall Objective: To create an integrated waste management system that supports Jozini Local Municipality and mobilises citizens to support separation of waste at source as a first input into the recycling system ○ Specific objectives: PHASE 1: To refurbish the existing Jozini Waste Recycling facility. The facility would be utilized a central collection point wherein waste collected from Jozini town and its surroundings will be diverted into and sorted. Non-recyclable waste will be stored on bins and transported into waste disposal site. Phase 2: To employ, train and equip existing informal waste recyclers and additional unemployed people to work in, own and manage the waste recycling infrastructure. As part of EPWP-related project; employ unemployed people on a contractual-basis to collect litter, conduct awareness campaigns from within their respective areas.
Environmental sustainability monitoring in municipalities	<p>WASTE MANAGEMENT:</p> <p>Compiled a Waste Disposal Site Compliant inventory to monitor the progress regarding management of waste disposal sites in the District. Quarterly Landfill sites verification exercises have been conducted to update the inventory of any changes in the management of waste disposal sites.</p>

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INTEGRATED DEVELOPMENT PLANNING (IDP) & PERFORMANCE MANAGEMENT SYSTEMS (PMS)

The following table represents a summary of activities for IDP and PMS that took place during 2015/2016 FY:

KEY ACTIVITY	KEY OUTPUT	BY WHOM?	TARGET DATE
STEERING COMMITTEE MEETING			13 July 2015
1. Development & Submission of the Process & Framework Plan	IDP Process & Framework Plan	Steering Committee	30 July 2015
2. ExCo Adoption of the Process & Framework Plan	ExCo Resolution	MM& DC 27 ExCo	30 July 2015
3. Advertisement of the Process & Framework Plans	Copy of an advert	IDP/PMS Unit & Finance	14 August 2015
4. Provincial IDP Feedback Session	Feedback on credibility of the IDP	COGTA	27 September 2015
STEERING COMMITTEE MEETING			23/09/2015
5. Compilation of Situational Analysis	Status quo reports	Heads of Departments	November 2015
6. Municipal-wide analysis	Needs Analysis reports	Local Municipalities	November 2015
STEERING COMMITTEE MEETING			19/09/2015
7. Identification of Priority Issues	Priority issues report	Steering Committee	November 2015
8. Alignment Session with Sector Departments	Identification of District-wide Projects and Programmes	MANCO and Sector Departments	05 November 2015
9. Consolidation of Analysis results		IDP/PMS Unit	December 2015
10. Development of Objectives & Strategies	Draft Strategies	Municipal Departments	December 2015
11. Identification of Priority Projects	Draft list of 2014/2015 Projects	Portfolio Committees	January 2016
STEERING COMMITTEE MEETING			21 January 2016
12. Finalization of the IDP Document	Draft IDP	IDP/PMS Unit	08 March 2016
STEERING COMMITTEE MEETING			18/03/2016
13. Opportunity for Comments by Provincial/National Departments & Parastatals	Attendance and presentation at Provincial Assessments week	Heads of Departments and IDP/PMS Unit	5 April 2016
14. Incorporating and Responding to Comments from Provincial/National Departments & Parastatals	Submitted Project Proposals	Heads of Departments and IDP/PMS Unit	25 April 2016
15. Opportunity for Public Comments	District-wide Public Consultation Meetings	DC 27 EXCO	April 2016 (18,19,20,21,22)
STEERING COMMITTEE MEETING			09/05/2016
16. Final Adoption of the IDP	Final IDP Document	Council	31 May 2016
17. Advertisement of the IDP Document for Noting	Copy of an advert	IDP/PMS Unit & Finance	June 2016
18. Submission of an IDP Document to COGTA	Final IDP & Acknowledgement letter from COGTA	IDP/PMS Unit	May 2016

- IDP SC meetings were held as part of MANCO meetings
- Development Planning meetings happened successfully
- No IDP RF meeting happened due to circumstances beyond the control of the Municipality
- PMS compliance and critical deadlines were observed during 15-16 however there is still room for improvement
- Performance agreements were signed
- Performance Plans were signed

PUBLIC PARTICIPATION THROUGH IDP AND BUDGET

One of the mandates for Local Government, is to give priority to the needs of the community. Communities are therefore given an opportunity to participate in the process of prioritizing their needs. Municipalities through the IDP/Budget process register the needs of its community and also set up programmes that would address these needs. Resources are then allocated to address needs that have been identified.

The public participation meetings for IDP and Budget were scheduled as follows:

DATE	LOCAL MUNICIPALITY	VENUE	TIME
8 th April 2016	Hlabisa Local Municipality (KZ274)	eNhlwathi - eDengeni Sportsground	10H00
13 th April 2016	Big 5 False Bay Local Municipality (KZ273)	Nibela – Qomukuphila Sportsground	10H00
14 th April 2016	Jozini Local Municipality (KZ272) – Cluster A	Ezibukweni Sportsfield – Near Jozini Mall	10H00
15 th April 2016	Jozini Local Municipality (KZ272) – Cluster B	Ezulwini Community Hall (Ward 13)	10H00
20 th April 2016	Mtubatuba Local Municipality (KZ275)	KwaGxaba Community Hall	10H00
04 May 2016	uMhlabuyalingana Municipality (KZ271)	Hlokohloko Community Hall	10H00

Between April to May, municipalities consulted with members of the community regarding the draft IDP and Budget before final adoption. At the beginning of April 2016 the District Municipality engaged IDP/Budget consultative meetings in partnership with local municipalities. During the proceedings of the meetings it was apparent that provision of water and electricity still remain as the high priority that members of the community expect municipalities to fulfil. The HoDs for the District Municipality accompanied by the Municipal Manager attended all meetings and captured all issues that were raised by members of the community. The IDP/Budget consultative meetings were also attended by representatives from the Road Accident Fund who were also driving an awareness campaign regarding procedures that should be followed in claiming for road accidents sustained by members of the community. All in all the meetings were well attended and relevant questions were raised which the Mayor addressed and also referred some to HoDs to take note of.

Due to financial constraints the District Municipality was unable to contribute towards the logistics for hosting IDP/Budget consultative meetings. Local municipalities though allowed the District Municipality to be part of the programme as well. A letter of gratitude was sent to local municipalities regarding this special arrangement that enabled the District Municipality to be part of consultative meetings. It will be encouraged that in future this arrangement be practiced and the District Municipality will be expected to contribute financially towards the logistical arrangements for these meetings.

LOCAL ECONOMIC DEVELOPMENT (LED) & TOURISM DEVELOPMENT & MARKETING

Local Economic Development LED

The economic profile of UMkhanyakude District Municipality is correctly determined by the Local Economic Development (LED), which is Tourism and Agriculture. Planning and Economic Development Department is the main unit that expedites stimulation of UMkhanyakude Local Economic Development and Tourism services. This happens through a lot of cascaded programmes that the said unit has developed. It aligns itself with other components that have the potential in increasing job opportunities and poverty eradication. The district is proactive in assuring the growth of the local business operations. To ensure continued Economic development in the area, the key priorities of UMkhanyakude district include the following:

Core Functions & Services

- Develop and support SSME's and co-operatives through infrastructure development:
- Co-op and SMME's Development programme
- Mseleni Groundnut project
- Strengthening of UMhlosinga Development Agency
- Creating Jobs opportunities through LED initiative (EPWP)
- Developing Rural Tourism through adopting Responsible Tourism practices;
- Improving job creation opportunities and tourism service excellence;
- Channel efforts for tourism entrepreneurial opportunities;

The summary below indicates the highlights for:

Informal Economy Chamber

- Informal economy plays a crucial role in improving and contributing a huge percentage to the economy of the district
- District managed to revive the informal chamber for all local municipalities whereby all the chairperson for local municipalities are members of the district forum
- The function of this chamber is to report on challenges faced by informal traders
- Four meetings are to be seated in the current financial year 2014/2015 and
- Quarterly reports to be submitted to the Provincial Informal Chamber and to the districts.
- 16 office bearers from all five local Municipality have been trained in the following fields:
 - introduction to entrepreneurship
 - advertising and promotion
 - basic financial management
 - purchasing skills and legal issues by law and compliance
 - health and food safety incorporating personal hygiene
 - Merchandising incorporating stock receipts point of sale and revision
- There is a stipend of the infrastructure grant for all the 16 office barriers.

EPWP

- Mseleni groundnuts 75 workers employed are employed on this project
- 30 Maintenance and water leaks
- 65 sport fields maintenance Community

Project started in 2013/2014. The steering committee was established with the assistance of Cogta and uMhlabuyalingana Municipality. About 50 h/a of land owned by cooperative has been fenced. Number of jobs created through EPWP was about 90 people. The cultivating of nuts has been done and about 20kg x 21 bags were harvested.

SMMES and Comparative Summit

- 200 SMMES and Co-operatives were supported by Ukdm and KZNFLA on Number of entrepreneur skills
- Quarterly LED forums have been held
- District Agriculture forum was established in partnership with the Department of Agriculture. Three local municipalities namely Jozini, Big5False Bay and Umhlabuyalingana have established local agriculture forums.
- 2 business plans concept documents have been created on LED and Tourism. Currently awaiting for the National department of Environmental affairs for funding.
- Emerging Contractor policies were developed and no funding to implementation the programme
- Co-operative study for the district was done and awaiting for funding for implementation

OPERATION PHAKISA

- Study done by the Department of Agriculture and Rural development and is implemented as per the Makhathini Master plan.
- Local economic development projects on tourism and agriculture were identified.
- Business plans on the identified project were developed by the Department.

TOURISM DEVELOPMENT AND PROMOTION

Tourism has been identified as one of the six fixed priority areas in the New Growth Path (NGP). The Umkhanyakude District Municipality through its Tourism Development and Promotion programme aims to engross towards the marketing and further identification of the already existing but unremarkable tourism products and services within the area. The focus of UMkhanyakude District Municipality is on both development and facilitation of tourism growth within the area. This is through providing support to a variety of public and private tourism key stakeholders at UMkhanyakude Stimulating Domestic Tourism and Education

- Successfully participated on Tourism indaba 2015 in DBN ICC. Tourism Indaba is an international trade show, it assists to market and link up with well-established products owners.
- Successfully transferred grant funding for the operation and maintenance of District CTO (Elephant coast tourism organization).
- Service level agreement was signed between the two organization (District CTO and UMkhanyakude District)
- Successfully printed 2000 destination brochures and supplied them to all District tourism information centres around the District and during tourism shows and exhibitions.
- Successfully printed 100 tourism DVDs for promotional purposes during tourism events.
- Held 3 District Tourism Forum Meetings as per the SDBIP, however the 4th one couldn't sit because of non-confirmation of participation by the stakeholders.
- Participated on JHB Getaway show. In that show, we purchased a 3x3 meter square stand plus the one sponsored by TKZN.
- Attended and participated a two days National Department of Tourism Capacity Building Workshop for SMMEs, it was held at Hluhluwe Protea hotel.
- Successfully hosted the District Tourism Educators Workshop as part of Domestic Tourism Promotion and Tourism Awareness at schools.
- Good relationship with tourism and LED sector departments and other relevant stakeholders.
- Participated in the Project Steering Committee meetings for KZN-Sodwana Bay – Amangwane Community Lodge, Muzi Pan Adventures and Lodge.
- Participated on Local Municipalities Tourism Forums, although some Local Municipalities find it very hard to host their own tourism forums.
- Participated in the Waste Management Meetings, because the Waste Management issue within the District seems to have a negative impact on tourism.

Sector Departments Funded Projects

We managed to secure funding for the following tourism projects

Project name	Description	Location	Funding	Lead department	Status
Muzi pan adventures and lodge	Accommodation, canoeing and bird viewing	Jozini LM	R10 Million	National Department of tourism	In progress
Hlathikulu Camp site	Tented camps	Jozini LM	R4 Million	Environmental affairs	complete
Sontuli Tourism camp	Tourism education centre	Hlabisa LM/ within park	R8,5 Million	Environmental affairs	In progress
Mbazwana tourism info centre	Tourism information centre office	Mhlabuyalingana LM	R800,000	KZN COGTA	Complete

Key challenges & recommendations

Challenges	Recommendations / Action Plans
1. General lack of a culture of reporting and accounting to various municipal structures about activities performed by LED.	<ul style="list-style-type: none">Engage in ongoing reporting to various structures, ie Manco, Portfolio Committees, Exco and Council.
2. Delay of filling critical posts LED Manager, Two Tourism officers.	<ul style="list-style-type: none">Filling of posts
3. Lack of project management knowledge with the existing staff	<ul style="list-style-type: none">Ongoing training on projects management
4. Delay in appointment of knowledgeable service providers in the SCM unit (LED strategy)	<ul style="list-style-type: none">Re-advertisement of the service provider to do a LED Strategy
5. Lack of a District-Wide LED strategy and investment strategy	<ul style="list-style-type: none">Compiling and adopt the LED plan and investment strategy
6. Insufficient LED and Tourism budget	<ul style="list-style-type: none">District to increase tourism and LED budget
7. Tourism transformation	<ul style="list-style-type: none">Development of a transformation plan
8. Illegal tourism establishment	<ul style="list-style-type: none">Development of tourism bylaws

3.2.2 UMHLOSINGA DEVELOPMENT AGENCY (UMDA)

Information to be available in the final document

DRAFT

3.3 SECTION C: COMMUNITY SERVICES PERFORMANCE HIGHLIGHTS

3.3.1 MUNICIPAL HEALTH SERVICES

Health and hygiene education strategy

- Health and hygiene education is one of the programmes that has been conducted successfully with an aim of reducing communicable diseases.
- The prevalence of communicable diseases remains high more especially to children under five years.

Water quality monitoring

- Water quality monitoring was not done well due to non-availability of funds within the municipality and this has posed threats to human's lives.
- Most of the water samples results are non compliant and need some urgent remedial action in those affected areas.

Food control

- Health assessments were conducted well in the food premises, however, there are some challenges within the municipality. This is done to prevent foodborne illnesses and outbreaks that might occur.
- The certificates of acceptability (COA) have been issued to premises which were found complying with the regulations stipulated in R192, which are framed under the National Health Act (Act 63 of 2003).

Waste Management

- There is very little that was done on waste management, however, it remains a major problem in the district and it also poses a major risk to the public

Vector Control

- Vectors could not be trapped due to lack of resources.

Challenges

- No vehicles available to execute daily duties with an aim of protecting communities.
- Shortage of staff as the Municipality is operating with only eight (8) Environmental Health Practitioners instead of 62.
- No identification cards for Environmental Health Practitioners.
- Inadequate funds within the district municipality.

3.3.2 DISASTER MANAGEMENT

Status of uMkhanyakude Disaster Management Centre

UMkhanyakude District Municipality has a functional District Disaster Management Centre (DDMC) which is established in terms of Disaster Management Act No. 57 of 2002. The various institutional measures have been established to ensure compliance with disaster management legislation and policies.

The disaster management centre is fully operational and has a fire station adjacent to it. This fire station is a shared service between the DDMC and The Big Five False Bay. The building is run by the uMkhanyakude District Municipality including maintenance and servicing of the building. The images below depict the Disaster Management Centre and the adjacent fire station.

Image 1: Front View of UKDMC



Image 2: Fire Station of UKDMC



Status of IGR Structures

District Disaster Risk Management Practitioners Meeting

The District Disaster Risk Management Practitioners forum has been established and comprises of all five (5) Local Municipalities at UMkhanyakude District. The Practitioners meeting was seated on the 17th of February 2016. The meeting was merged with the District Fire TTT as well as the festive season planning, this comprised of various stakeholders including RTI, SAPS and EMRS.

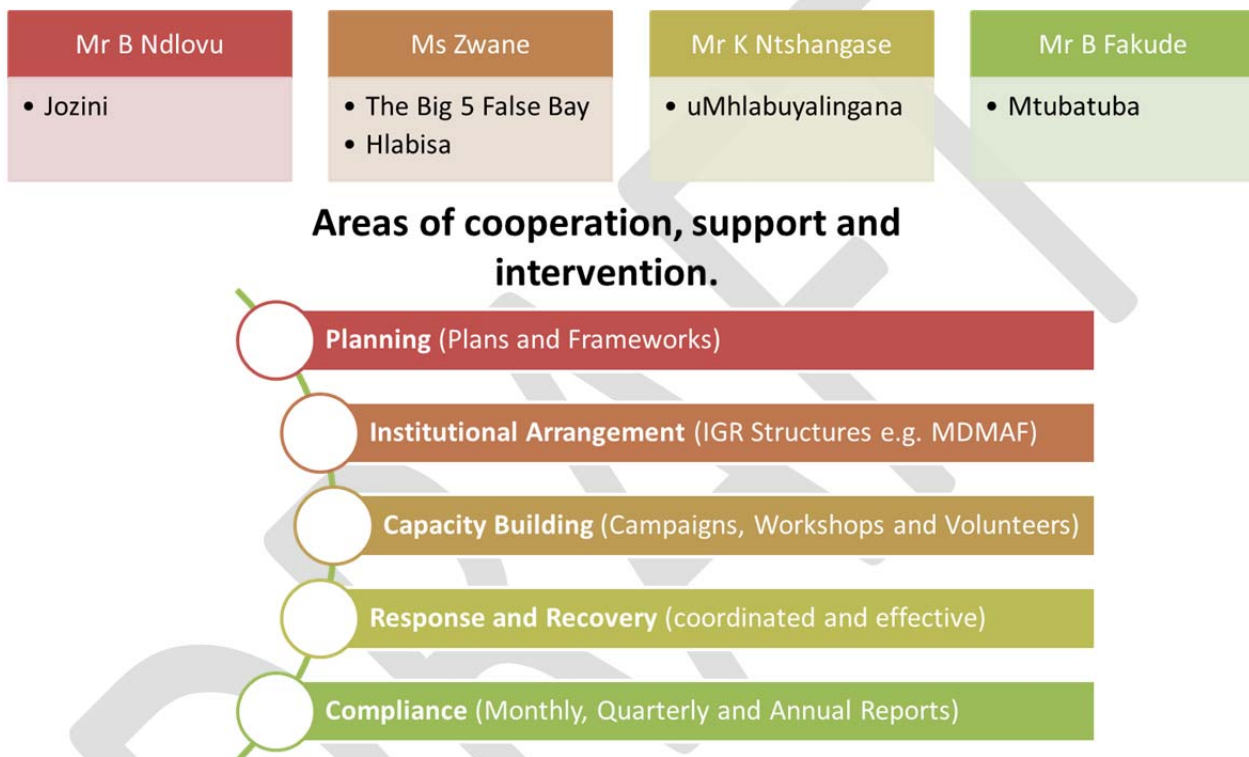
District Disaster Risk Management Advisory Forum

The DDMAF seats every quarterly and is very successful although there is a steady decline in the attendance of government departments various other stakeholders take part in this seating. The forum was last seated on the 25th of March 2015 at the uMkhanyakude UDDMC boardroom. The meeting was poorly attended a resolution to visit all the stakeholders was taken, particularly those involving sector department heads.

Status of Disaster Management Capacity at UMkhanyakude District

The uMkhanyakude District Municipality has a functional District Disaster Management Centre, with the Head of the Centre already appointed, Mr SE Mngoma. The Head is supported by four Disaster Management Officers who are strategically allocated at municipalities to ensure the fulfilment of the Disaster Management mandate. The officers offer technical supporter to the local municipalities and fulfil all the requirements set in the job descriptions and UKDM SDBIP. The diagram below depicts how the organisational structure of the district disaster officers is set and the primary responsibilities.

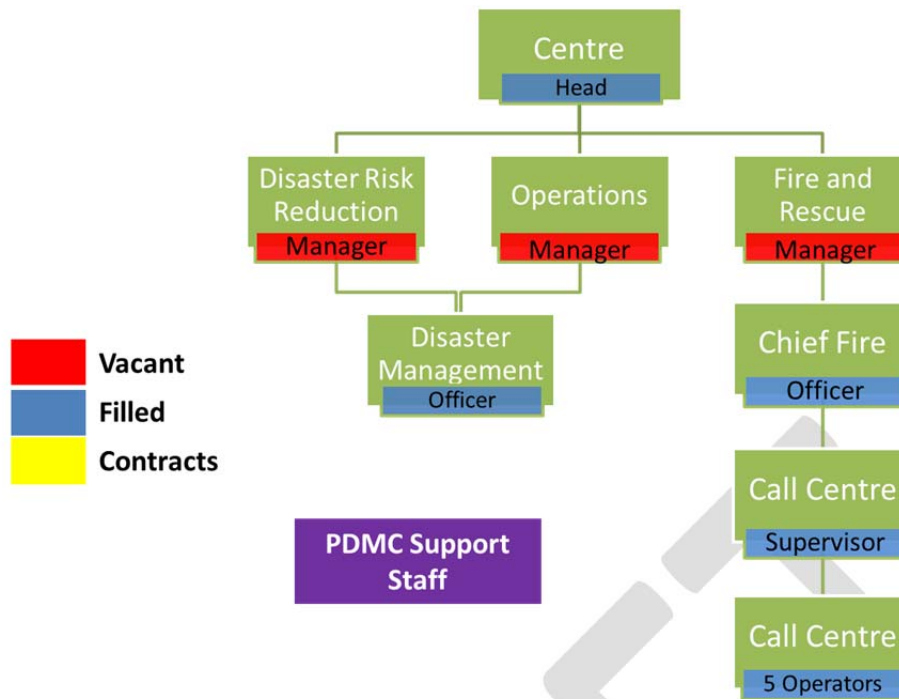
Figure 1: Areas of Cooperation and deployment of disaster management officers



The Disaster Management Officers are executing various milestones being mainstreaming disaster management through awareness campaigns and capacity building. Furthermore, the PDMC offers support with regards to financial resources such as grant funding and assistance with disaster relief material.

The Chief Fire Officer, the Supervisor for the control centre and the five control centre operators have been employed by the district municipality and support the district when responding to incidents as well as reporting the incidents. The organogram below is the current existing one which only includes the UKDM Disaster Management Team.

Figure 2: District Disaster Management Organogram



Status of UMkhanyakude District Disaster Management Plans / Framework

Disaster Management Framework

As required by Section 53 of the Disaster Management Act No.57 of 2002, the UMkhanyakude District Disaster Risk Management Policy Framework has been drafted in line with the requirements of the disaster management legislation and policies. The UKDM disaster management policy framework has been tabled and endorsed by EXCO. The policy framework is now ready for presentation to the council and approval thereof Disaster Management Plan.

There are plans in place to develop a comprehensive district disaster management plan; there is however a disaster management sector plan that is aligned with the IDP. It is important to note that hazards and disaster risks are dynamic and this calls for various methods to be used in ensuring that an accurate risk profile for the district is carried-out to inform the development of the plan.

Readiness to deal with disasters

All incidents are attended to as and when they get reported, whilst rapid and effective response is done in a multi-disciplinary manner in partnership with other disaster management role-players. In its role of disaster management co-ordination, the district responds to incidents in supporting the five local municipalities within the uMkhanyakude District i.e. uMhlabuyalingana, Jozini, Big 5 False Bay, Hlabisa and Mtubatuba Local Municipalities. All applicable contingency plans (unique to particular hazards) get implemented as and when there is a need, with all role-players acutely aware of their roles and responsibilities. With the support of the newly appointed disaster management team local municipalities and the district will benefit immensely in carrying out the Disaster Management Mandate.

The table 1 below indicates the *Integrated Institutional Capacity* for Disaster Management within UKDM. Firstly none of the municipalities including the district have an Integrated Committee on disaster Management, another concerning issue is that only two local municipalities have a seating advisory forum. The second pressing issue is that of a disaster management officer/head within a specific municipality, Mtubatuba municipality recently had their officer retire and Jozini municipality had theirs resign, this leaves a gaping hole within the disaster management teams at this municipality. All Fire and rescue services within the locals and the district are not up to standard and need to be addressed soon as proven in the 2014/2015 financial year fires are the most rife disaster incidents.

The final issue is that of a comprehensive Disaster Management Plan. There is no recent and approved disaster management plan from the municipality or the district; however three municipalities and the district have compiled draft Disaster Management Plans.

There are 53 employees dedicated to disaster management and fire services, as well as 12 vehicles used to conduct disaster management activities.

Table 1: Disaster management capacity

MUNICIPALITIES	KEY INDICATORS FOR THE INTEGRATED INSTITUTIONAL CAPACITY FOR DISASTER MANAGEMENT														
	Municipal Inter-departmental Committee on Disaster Management.	Mechanisms for developing and adopting disaster risk management policy and plan has been developed	Job description and key performance indicators for the position of the Head/officer of Disaster management Centre/portfolio have been developed.	Municipal disaster management head/officer has been appointed.	The municipal disaster management, fire and rescue unit has been established and functioning effectively.	Roles and responsibilities of municipal departments and entities involved in disaster management have been identified, assigned and included in the job descriptions of key personnel.	The Municipal Disaster Management Advisory Forum has been established and is operating effectively.	External Departments and entities playing role in disaster management have been identified and assigned primary and secondary responsibilities.	Disaster management officials have full participation in integrated development planning processes and structures.	Ward structures have been identified and tasked with responsibility for disaster management.	A current register of disaster risk management stakeholders and volunteers has been established and is maintained.	Guidelines have been developed and disseminated for entering into partnerships and concluding mutual assistance agreements and memoranda of understanding with relevant role-players.	Comprehensive disaster management plan (not older than two years) has been developed and approved by the Municipal Council.	Compliance and Functionality	
	Score	%													
1. uMkhanyakude	No	Yes	Yes	Yes	Partial	No	Yes	Partial	Yes	Partial	Yes	Partial	Draft	17/26	65%
2. Mtubatuba	No	No DMAF	Yes	Retired	Partial	No	No	Partial	Yes	Partial	Partial	Partial	No	12/26	46%
3. Hlabisa	No	Yes	Yes	Yes	Partial	No	Yes	Partial	Yes	Partial	Yes	Partial	No	16/26	62%
4. Jozini	No	No DMAF	Yes	Resigned	Partial	No	No	Partial	Yes	Partial	Partial	Partial	Draft	13/26	50%
5. The Big 5 False Bay	No	No DMAF	Yes	Yes	Partial	No	No	Partial	Yes	Partial	Partial	Partial	Draft	14/26	54%
6. uMhlabyalingana	No	Yes	Yes	Yes	Partial	No	Yes	Partial	Yes	Partial	Yes	Partial	Draft	17/26	65%
COMPLIANCE AND FUNCTIONALITY	0%	100%	100%	83%	50%	0%	50%	50%	100%	50%	75%	50%	33%	57%	

Status and results of Disaster Risk Assessments undertaken

List of Priority Risks (Hazards)

UMkhanyakude District Municipality is prone to a number of natural and man-made hazards. The vulnerability differs, by either socio-economic status or the exposure of a particular household or community to a specific hazard.

Table 2: Priority Hazards identified at UMkhanyakude District

	Incident Type	Areas Affected
	<ul style="list-style-type: none">• Households fire• Bush fires• Extreme hot temperatures• Strong winds• Lightning• Human Disease• Animal Disease• Plants Disease (intruder)• Crime• Road Incidents• Drought• Floods• Infrastructure failure• Air pollution• Water pollution• MVA (mostly in N2)	<p>In all local municipalities</p> <p>In all local municipalities</p>

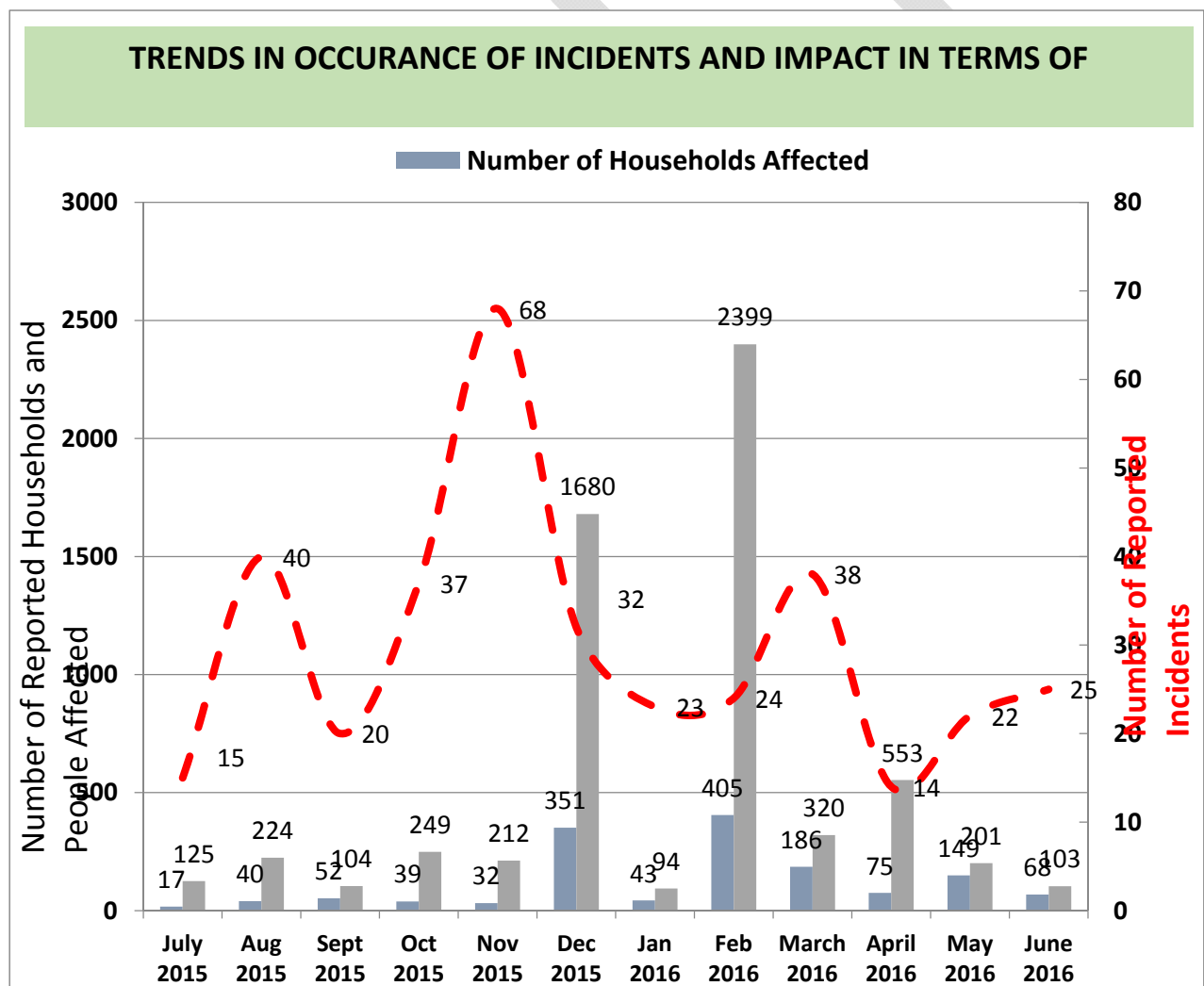
Response and Recovery

Annual Incidents (July 2015 to June 2016)

The district has experienced a significant increase in the number of incidents during the fourth quarter, with February had the highest number of households affected as well as people affected during the 2015/2016 financial year. During this financial year three hundred and fifth eight (358) incidents, a total number of six thousand two hundred and sixth four (6264) people have been affected so far, this is coupled with one thousand four hundred and fifth seven (1457) affected households. The incident analysis graph below depicts the above mentioned information.

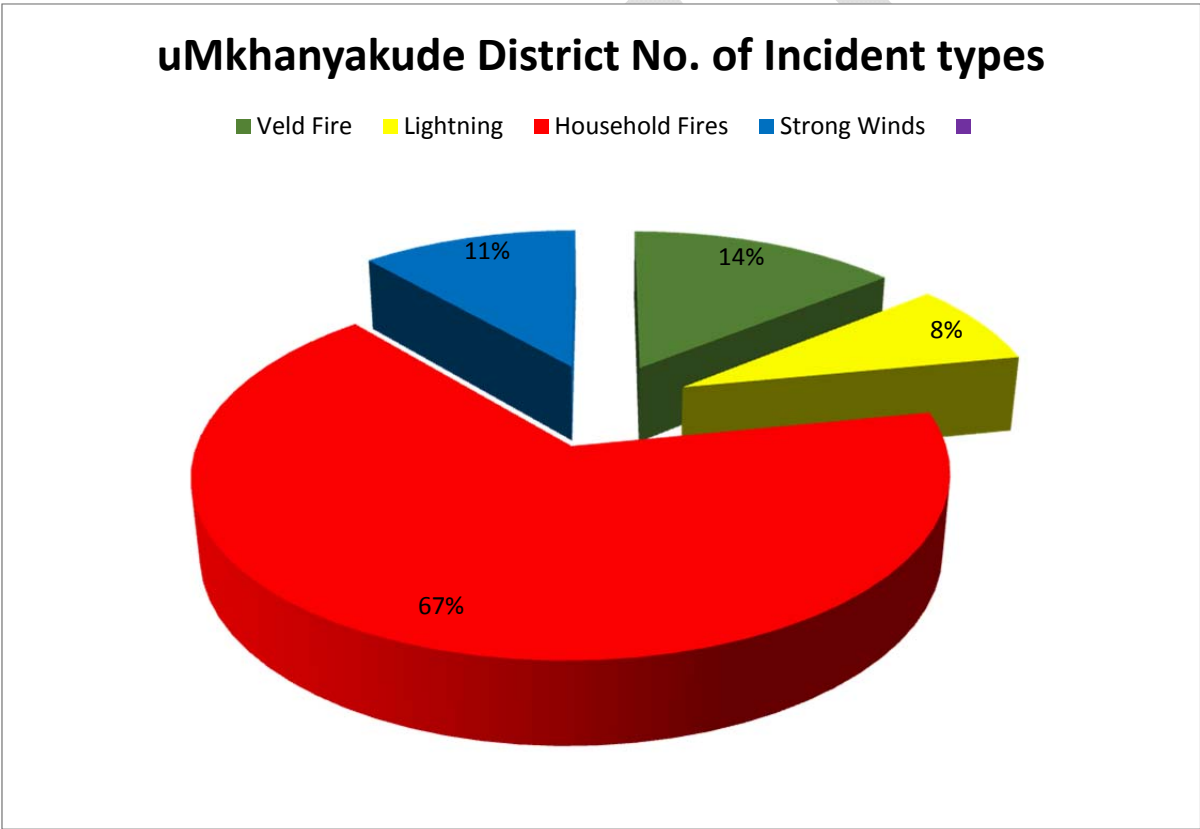
Incidents Analysis

Figure 3: Trend Analysis Graph



Nearly 67 % of the incidents during 2015/2016 financial year were household fires; lightning was a major cause for fatalities during this quarter and seven percent of all incidents were lightning related. The Figure below depicts the percentage of incidents per type hazard as described.

Figure 4: Percentage of incidents per type of hazards.



Some of the pictures highlighting the incidents occurred

Image 3: Depicting the drowning incident



Image 4: Ezwenelisha ward 4

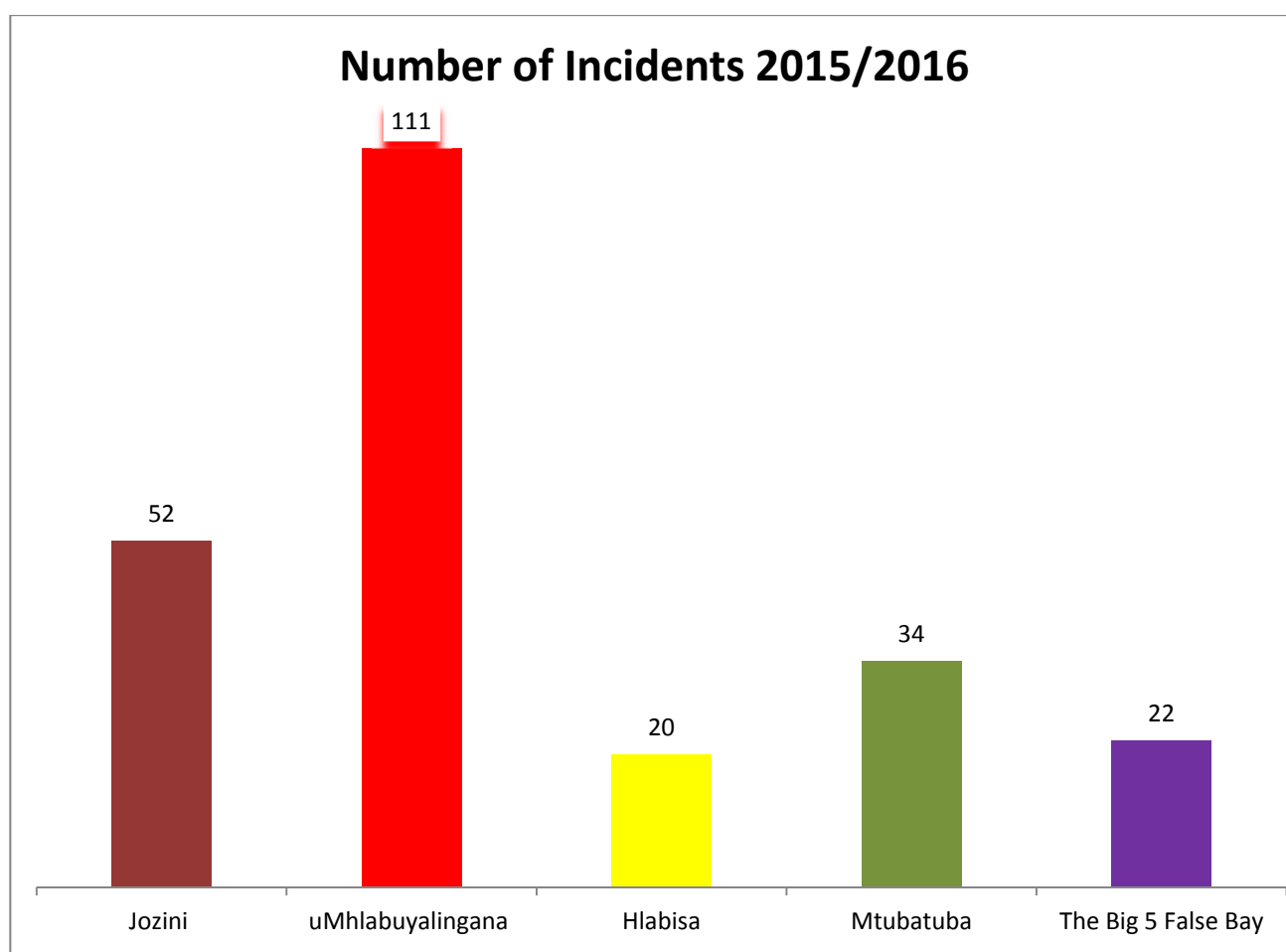


Image 6: Depicting a strong wind incident

Image 5: The Big 5 LM erecting a tent



Bar Graph indicating the number of Incidents



Best Practices / Achievements / Successes

- Through the The District turnaround time when responding to reported incidents is highly commendable. This is due to district proper coordination and integration, in partnership with all role-players and stakeholders in the district.

Table 4: uMkhanyakude Capacity Building and Awareness Campaigns Conducted

Disaster Management Awareness Campaigns		
Platform	Place /Area	Total
Community Awareness	<ul style="list-style-type: none"> Jozini LM Sectorial Workshop (Msiyani). uMhlabuyalingana Sectorial Workshop (ITLEC meeting) uMhlabuyalingana Sectorial Workshop (RIMS) Mbazwana Inn Awareness Campaign. Nhlwathi Clinic Awareness Campaign. 	6

	<ul style="list-style-type: none"> • Mpembeni Clinic Awareness Campaigns. 	
Traditional Authorities	<ul style="list-style-type: none"> • Makhasa Traditional Court • Kwa-Jobe • KwaTembe T.C 	3
School Awareness Campaigns	<ul style="list-style-type: none"> • Mtubatuba High School • Siyelulama High School • Khongela Primary School • Mafa Primary School • Bangizwe Primary School • Kwa Giba High School • Zenzeleni High School • Masakeni Primary School • Bonga High School • Ntamunemidwa High School • Thembelihle School • Peter Pan Pre-school • ENkathwini P School • Kwabamba Secondary School • Macabuzela P School • Ezifundeni H School • Emthulasizwe H School • Mpukunyoni P School • Mqhiyam P School • Mkhonjemi P. School • Mthanti Cresh • Mangwazane H. School • Mmemezi H. School • Nqutshini P. School • Ikusasaletu H. School • Mbazwana Primary School • Nibela P. School 	27
Fire Drill	<ul style="list-style-type: none"> • Ezimpondweni Clinic • Nondabuya Clinic 	4

	<ul style="list-style-type: none"> • Ophondweni Clinic • Mosvold Hospital at Ingwavuma 	
Total		40

Table 5: uMkhanyakude Institutional Arrangement and Mainstreaming of Disaster Management

Institutional Arrangement and Mainstreaming of Disaster Management		
Mainstreaming	Place/Venue	Total
Institutional Arrangements	<ul style="list-style-type: none"> • UKDM Practitioners Meeting • UKDM Advisory Forum. • UMhlabuyalingana Local Municipality Advisory Forum. 	3
Volunteer Recruitment	<ul style="list-style-type: none"> • Phumlani CCG's 	2
Total		5

Image 7: Siyelulama High School (Mtubatuba)



Image 8: Bangizwe Primary School



Other Disaster Management Initiatives

Plenary Meetings

During the first quarter of the 2015/2016 financial year the disaster management team was engaged in event planning meetings. The plenary meetings were attended to ensure that risk or threats likely to affect the event are identified and that safety measures are implemented.

Date	Planning Meeting	Meeting Venue
1. 14 July 2015	Minister of South African Police Services Visits to UKDM	UKDM District Municipality
2. 29 July 2015	Mandela Day plenary Meeting	UKDM District Municipality. uMhlabuyalingana
3. 25 August 2015	Plenary Meeting for KZN Cabinet.	Ndlondlweni
4. 11 September 2015	Plenary Meeting for Premier visit and office of the legislature	Hlabisa

Town Awareness Campaign

As part of the uMkhanyakude District Municipalities objective to build resilient communities the district, together with its families of municipalities conducted town awareness campaigns whereby engagements people on the ground was the focal point of the program. The main objective was to inform people on trending risks and hazards, give clarity of various incidents where the communities lack the knowledge and also distribute emergency numbers to as many people as possible. The UKDM has seventeen (17) towns which can be classified as major nodal points in which the *Town Awareness Campaigns* can be conducted.

There were a total number of ten (10) Town Awareness Campaigns conducted of the seventeen identified towns; the remaining seven will be concluded within the remainder of the financial year. Another point to note was the incredible support from the Working of Fire organisation which played an influential role in the success of these awareness campaigns.

The map below indicates in detail the Towns that were visited in Mainstreaming disaster Management and conducting awareness campaigns to combat trending risks and hazards within UKDM. The towns visited are marked in green and those that are yet to be visited are marked in red (see map 1 below). Towns were viewed a great platform to inform the UKDM community, visited on strategic days whereby the towns were active the towns in which awareness campaigns are as follows; Ndumo, Skhemele, Manguzi, Mseleni, Mbazwane, Jozini Town, Hluhluwe, Mtubatuba Town, St. Lucia and Hlabisa reaching the total number of 10 awareness campaigns conducted.

Image 11: Working on Fire Supporting UKDM



Image 12: Mtubatuba Taxi Rank awareness and St Lucia Pension Pay Point

Delivery of Water Bottles to Combat the Current Drought

Through the assistance of the PDMC and Alimdad (NGO) the district received 500 five liter water storing bottles to assist the very poor communities in storing water. These bottles are to be distributed to all local municipalities within the UKDM.

uMthayi Marula Festival

The District together with uMhlabuyalingana Municipality offered Disaster Management support by means of, Fire and Rescue services as well as taking cautionary measures in ensuring that the event ran successful.

Ideal Clinic Workshop

The UKDM Department of Health was workshopped on health and safety measures to be incorporated into the ideal clinic programme currently being run by the National Government. The workshopped addressed all disaster management issues and brought awareness to areas at which the health institutions should focus on to reduce the risk of disasters.

Ndumo Projects Progress Assessment

After the MEC for Human settlements honourable R. Pillay visited the Ndumo area, various households affected by the February 20 Strong winds were identified. The UKDM dispatched its staff members to conduct an assessment as well as a verification of the affected households and further table recommendations for the affected parties. A meeting was held on the 7th of March to evaluate the progress of the Ndumo projects whilst the disaster issues were taken to account and a plea to declare a disaster based on the recent incidents.

Manyiseni Event

An event was held by the honorable MEC M. Mabuyakhulu to address the conflicts at the Mathenjwa Traditional Authority at Manyiseni area. This event was partially held as there were disturbances with community protests; issues were resolved at a separate meeting.

Input.

3.3.3 SPECIAL PROGRAMMES SECTION

CHILDREN AND DISABILITY

- District Advisory Council on Children meetings had been conducted as per plan
- Workshop on Children with facilitated by iLifa Labantwana and Department of Social Development: 21-23 October 2015
- District Advisory Council on Children launched on 06 March 2016
- Disability Forum meetings had been conducted per quarter, attended by relevant stakeholders

Challenges:

- Financial constraints that has been facing the Municipality has caused most of the targeted activities not to be performed

ARTS AND CULTURE

- 4 Isicathamiya groups participated in the Playhouse Annual Competition
- Royal Reed Dance was held at eMachobeni Royal Residence in September 2016
- Umkhosi wamaganu and Umthayi held at eMachobeni Royal Residence and Emfihlweni Tembe Kraal
- Youth –in-schools participated in the National Competitions and one became the National Champion.
- Community Choirs comprising Youth and Adults participated in the Provincial Competition funded by Department of Arts and Culture; and one UKDM Community choir became the Provincial Champion.

Challenges:

- Financial constraints somehow hindered the Municipal support towards Arts and Culture Programme.
- Municipal Vehicles were from time to time grounded thus hindering some meetings attendance.

GENDER & SENIOR CITIZENS

- The Senior Citizens engaged in the Golden Games Sports Locally, District level, Provincially as well as Nationally.
- The Provincial Senior Citizens Parliament was held in uMkhanyakude District for 2 days at Enhlwathi – Hlabisa Municipality during September 2015.
- The Provincial Senior Citizens International Day was also celebrated in uMkhanyakude District in October 2015.

Challenges:

- Financial constraints somehow hindered the Municipal support towards Gender and Senior Citizens as part of Public Participation.
- Municipal Vehicles were from time to time grounded thus hindering some meetings attendance.

HIV and AIDS PROGRAMME

- District AIDS Council Meeting has targeted 4 meetings to sit in a quarter, all quarters has been achieved.
- Wellness programme were conducted as per plan
- World AIDS Day was commemorated on 20 December 2015

Challenges:

Financial constraints that has been facing the Municipality has caused most of the targeted activities not to be performed

Sports and Recreation

- The District participated with three codes (Volleyball, Boxing and Football males) in SALGA KZN Games 2015 held at Ilembe District Municipality in December.
- The District hosted and participated in the Provincial Indigenous Games Festival in August 2015.
- The District selected and assisted the team that participated in Provincial golden Games held at UThungulu District Municipality
- Disability Sport day was held in November 27, 2015 at Makhasa Sports field.
- Disability Sport Federation Meetings.

3.4 SECTION D: CORPORATE SERVICES PERFORMANCE HIGHLIGHTS

Council and Standing Committee meetings held during 2015/2016 financial year:

Council	Executive Committee	Corporate Governance Portfolio Committee	Community Services Portfolio Committee	Finance Portfolio Committee	Technical Services Portfolio Committee	PED Portfolio Committee	MPAC	Local Labour Forum
11	12	4	3	4	6	1	1	4

2015/2016 PERFORMANCE HIGHLIGHTS

- Review of the organizational structure as part of the intervention in terms of Section 139 (1) (b);
- Development of employee job descriptions as part of the intervention in terms of Section 139 (1) (b)
- Signing of Agreements of Employment and Performance Agreements by all Section 54 and 56 Managers;
- Compilation and submission of the 2015/2016 Workplace Skills Plan and the Training report to LGSETA;
- Implementation of the Employee Self Service (ESS) electronic leave management system;
- Development and implementation of the records management action plan with the assistance of COGTA and Department of Arts and Culture;
- Conducting Health and Safety Risk Assessments.

3.5 SECTION E: FINANCIAL SERVICES PERFORMANCE HIGHLIGHTS

Auditor General's Opinion

The opinion of AG regarding finances of the Municipality was as follows:

AUDIT OPINION	FINANCIAL PERIOD
Disclaimer Audit Opinion	2014/2015
Qualified Audit Opinion	2013/2014
Qualified Audit Opinion	2012/2013
Disclaimer Audit Opinion	2011/2012
Adverse Audit Opinion	2010/2011

Financial Strategies

- Cleansing of Consumer Data
- Profiling Debtors (identify top 20 that can pay)
- Installation and repair of meter
- Accurate Billing
- Implementation of Credit Control
- Effective use of Interim Finance Committee (IFC)
- Preparation of Realistic and Funded Budget in line with IDP
- Transfer of Skills (Not sure if it's under Institutional Transformation)
- Timely Reporting
- Development of Annual Financial Statements (AFS) Plan
- Acquisition of Asset Management System
- Development of Procurement Plan
- Capacitate SCM Officials and Bid Committees
- Management of Existing Contracts

Revenue Raising

For an organisation to sustain itself, it should be able to raise revenues to fund and sustain the services provided and also budget for the growth of the services and the organisation as a whole. This can be achieved by charging a cost reflective tariff for the services provided, using latest technologies where available to enhance operations and achieve greater value for money.

Most importantly the municipality must invest in the revenue generating resources and strategies by budgeting correctly for the repairs and maintenance.

Some of the significant programmes UKDM is implementing include:

- The review of Tariff policy, Debt collection and Credit Control policy and Indigent Policy. These policies outline the relevant procedures of levying tariffs, credit control, debt collection and indigent support. The indigent policy also defines the qualification criteria for indigent status. The tariff policy endeavours to levy affordable and sustainable service charges for services rendered to all consumers within in the district.
- Enhance credit control section additional personnel. Cashiers from UKDM satellite office that are not busy have been temporarily placed under credit control as a measure to improve collection rate.
- Office of the CFO has meetings with individual consumers that have a potential to pay. The debtors are requested to commit on a payment plan and sign an acknowledgement of debt.
- A project for the installation of water meters has been included in the MIG budget for the current financial year.

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Financial Management Strategies

- Review of the existing Financial Management System to ensure relevance and readiness for SCOA.
- Integration of all computerized systems to ensure accurate, relevant and timely reporting to all stakeholders
- Implementation of the intervention plan
- Develop process flows and standard operating procedures.
- Monthly monitoring of budget variances through the financial reporting.
- Weekly cash flow analysis
- Establishment of the Interim Finance Committee (IFC) to approve all requisition and payments.

Asset Management Strategy

National Treasury is assisting the municipality in developing a comprehensive asset register in line with the standards of GRAP. Part of the project includes assets management system that will enhance control and management of all municipal assets.

The municipality is compiling a list of all that are unserviceable, redundant and obsolete for disposal.

3.6 SECTION F: OFFICE OF THE MUNICIPAL MANAGER'S PERFORMANCE HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

- PT and COGTA provided support for finance and technical services departments
- Full expenditure of MIG funding
- Improved functionality of Audit Committee and MPAC

CHALLENGES AND RECOMMENDATIONS

CHALLENGES	RECOMMENDATIONS
The focus of PMS is still on section 56 & 57 managers	<ul style="list-style-type: none">• PMS to be cascaded to officials below section 57 managers
High vacancy rate in the MM's office	<ul style="list-style-type: none">• Fill critical vacant posts
Municipality does not have an in-house Internal Audit unit	<ul style="list-style-type: none">• Establish a fully-fledged Internal Audit unit
There is no legal section to deal with all legal matters pursued against or by the municipality	<ul style="list-style-type: none">• Appointment of Legal Service Officer

Shortage of floor space (offices to accommodate staff members as per Board and general Organogram)	<ul style="list-style-type: none"> • Extension of existing office space
Failing to achieve clean Audit Report	<ul style="list-style-type: none"> • Implementation of a municipal turnaround strategy
Delay in securing licence for utilizing Jozini Dam	<ul style="list-style-type: none"> • The office of the Mayor to take the matter up with the office of National Minister of Water Affairs
Lack of cooperation with Intergovernmental Relations (IGR)	<ul style="list-style-type: none"> • Ensure functionality of IGR(Intergovernmental Relations)
Compliance with Risk Management as per MFMA section 165	<ul style="list-style-type: none"> • Establishment of fully functional Risk Management unit • Improvement of record keeping as per Archives Act

3.7 SECTION G: SERVICE DELIVERY TARGETS AND PRIORITIES FOR 2016/2017

Preferred Performance Management Model

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyse its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The District Municipality has chosen the Key Performance model. In the said model all indicators are grouped together under the national key performance areas as per the Systems Act and the local key performance areas as per the Umkhanyakude District Municipality's IDP. The said Model therefore enables the District Municipality to assess its performance based on the national and its own local key performance areas.

The following KPAs inform the OPMS of the Municipality:

1. Municipal Transformation and Institutional Development
2. Basic Service Delivery
3. Local Economic Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation
6. Cross Cutting Interventions

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
A	Performance Management System	AA	To ensure effective Organizational Performance Management System (PMS)	AA1	Implementation of PMS
	Integrated Development Plan	AB	To ensure effective integrated development planning (IDP)	AB1	Implementation of IDP
	Human Resources Development	A1	To provide effective and efficient human resource management aimed at achieving a skilled workforce that is responsive to service delivery and change	A1.1	Implementation of Human Resources Development Strategy
				A1.2	Council Adoption of Workplace Skills Plan
				A1.3	Implementation of Work Place Skills Plan (WSP)
				A1.4	Council adoption of Employment Equity Plan
	Records Management	A2	To provide an effective and efficient system of managing records for preservation of institutional memory	A2.1	Implementation of Records Management System
	Information Communication Technology Management	A3	Adherence to evolving technology	A3.1	Conduct an assessment on provision of ICT services
	Occupational Health and Safety Management	A4	To ensure adherence to Occupational Health and Safety Act	A4.1	Conduct Health and Safety Risk Assessments
	Administrative Support Services Management	A5	To ensure effective and efficient administrative services	A5.1	Conduct an assessment on provision of administrative support services
	Legal Services	A6	To ensure effective and efficient legal services	A6.1	Conduct an assessment on provision of legal services

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KPA 2: BASIC SERVICE DELIVERY

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
B	High quality infrastructure network	B1	To provide high quality infrastructure network to support improved quality of life and economic growth	B1.1	Implementation of projects for all households to access basic water services supported by high quality infrastructure
				B1.2	Implementation of projects for all households to access basic sanitation services supported by high quality infrastructure
				B1.3	Ensure functional electricity services for Ingwavuma and KwaMsane areas
				B1.4	Planning and implementation of support programmes aimed at Improving coverage and quality of infrastructure within the District

KPA 3: LOCAL ECONOMIC DEVELOPMENT

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
C	District economic growth and employment opportunities	C1	To expand district economic output and increase quantity and quality of employment opportunities	C1.1	Optimise the role of the agricultural and forestry sector in district economic growth and employment creation
				C1.2	Optimise the role of conservation and a diversified tourism sector in District economic growth
				C1.3	Increase in business skills levels of the district labour force
				C1.4	Ensure improved quality of employment opportunities and to raise income levels of employed population
				C1.5	Monitoring of UMDA's performance as per the Business Plan for operational budget

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KPA 4: FINANCIAL VIABILITY AND MANAGEMENT

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
D	Improve Revenue Collection	D1	To Implement Revenue Collection Strategy	D1.1	Develop and implement cash flow management plans
	Improve Expenditure Management	D2	To improve expenditure management	D2.1	Develop and implement cash and credit management plans
	Improve Financial Management	D3	To Improve Financial Management	D3.1	Develop a credible budget and report in accordance with the provisions of the MFMA
	Implement Supply Chain Management Processes	D4	To Effectively Implement Supply Chain Management Regulations	D4.1	Development of a Procurement Plan
				D4.2	Assessment of service providers performance

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
E	Improve Quality of Life	E1	To improve the quality of life and life expectancy for people living within Umkhanyakude District	E1.1	Implementation of Special Programmes
				E1.2	Implementation of Environmental Health Management Programmes
	Excellence in	E2	To ensure excellence in	E2.1	Implementation of Risk management programmes

	Governance and Leadership		governance and leadership	E2.2	Coordination of committees responsible for oversight in the Municipality
				E2.3	Regular public participation in municipal businesses
				E2.4	Implementation of IGR programmes
				E2.5	Coordinate council committees and structures

KPA 6: CROSS CUTTING INTERVENTIONS

INDEX	GOAL	OBJECTIVE REF	OBJECTIVE	STRATEGY REF	STRATEGY(IES)
F	Integrity and Quality of Physical Environment	F1	To ensure integrity and quality of physical environment underpinned by a coherent spatial development pattern	F1.1	Maintain and improve the environmental integrity of the district and its resources
				F1.2	Implement a functionally structured spatial development pattern guided by identified nodes and corridors through an effective land use management system
				F1.3	Facilitate fully coordinated planning and development activities within district
	Functional Disaster Management Unit	F2	To ensure functional and responsive Disaster Management Unit	F2.1	Conduct an assessment on effectiveness of prevention, mitigation and response to Disasters within the District

3.8 SECTION H: ORGANISATIONAL PERFORMANCE REPORT FOR 2015/2016

3.8.1 BACKGROUND

An Annual Performance Report has been prepared and will be part of the submission together with AFS on the 31 August 2016. There are some areas of the report that still need to be finalised such as the expenditure and backlog figures. Technical Services Department is working on those areas. The Service Providers Assessment report is also presented as part of the Annual Performance Report.

3.8.2 PERFORMANCE MANAGEMENT PROCESS

The Performance Management System (PMS) at Umkhanyakude District Municipality is mainly guided by the Framework (PMS Framework). The PMS Policy will be developed during 2016/2017 as part of cascading PMS to members of extended MANCO. The intention is to ultimately cascade PMS to all employees working for the Municipality.

The Municipality uses the Key Performance model. In the said model all indicators are grouped together under the national key performance areas as per the Systems Act and the local key performance areas as per the Umkhanyakude District Municipality's IDP. The said Model therefore enables the Municipality to assess its performance based on the national and its own local key performance areas.

The following are the five national Key Performance Areas (KPA's) that will be used in the preferred performance management model:

- Institutional Transformation and Development
- Service Delivery and Infrastructure Development;
- Local Economic Development;
- Good Governance and Public Participation; and
- Municipal Financial Viability and Management
- Cross Cutting Interventions

The Department of Cooperative Governance and Traditional Affairs recommended that municipalities should add a sixth KPA which is Cross Cutting Interventions. This KPA addresses issues that are not catered for by the five KPA's mentioned above, such as disaster management, spatial planning and environmental management.

Regular reports were presented at MANCO on a monthly basis. Monthly reports then informed quarterly reports which were validated through performance reviews between the Municipal Managers and those in charge of departments.

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3.8.3 SUMMARY OF ANNUAL PERFORMANCE REPORT

The performance of departments for Q4 can be summarised as follows:

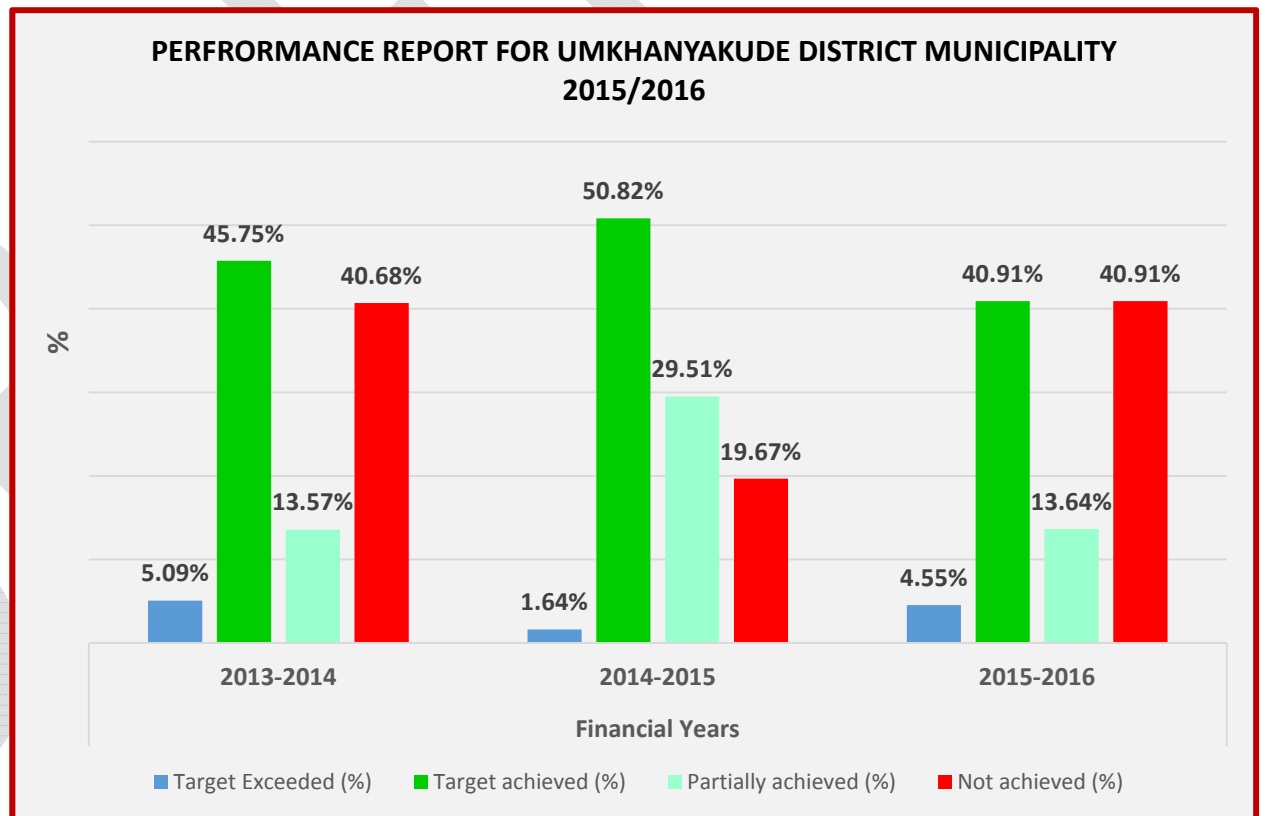
KPAs	Number of Targets	No Budget	Not Achieved	Partially Achieved	Target Achieved	Target Exceeded
Municipal Transformation	4	0	3 (75%)	0	1 (25%)	0
Basic Service Delivery	5	0	1 (20%)	3 (60%)	0	1 (5%)
LED	2	0	0	0	2 (100%)	0
Financial viability	5	0	3 (60%)	0	2 (40%)	0
Good Governance	2	0	1 (50%)	0	1 (50%)	0
Cross Cutting	4	1 (25%)		0	3 (75%)	0
Total	22	1 (4,5%)	8 (36%)	3 (14%)	9 (41%)	1 (4,5%)

- 22 targets were selected to be reported on at an organisational level which were revised down from 34
- One target was not achieved as a result of budget constraints (KPI no 6.1.1)
- 8 targets were not achieved and reasons have been stated and corrective measures thereof
- 3 targets were not fully achieved and corrective measures have been stated for such
- 10 targets were achieved representing 46% of the overall targets (this includes 1 target that was exceeded)
- The service providers assessment report indicate that set targets have been achieved

3.8.4 COMPARISON WITH PREVIOUS FINANCIAL YEARS

Details	Financial Years		
	2013-2014	2014-2015	2015-2016
Target Exceeded (%)	5,09	1,64	4,55
Target achieved (%)	45,75	50,82	40,91
Partially achieved (%)	13,57	29,51	13,64
Not achieved (%)	40,68	19,67	40,91

- The achievement of targets over the past 3 financial years is around 47%
- Targets exceeded are around 4% in the past 3 financial years
- Targets partially achieved over the past 3 years is about 16%
- Over the past 3 years the average percentage for targets not achieved is 34%
- Overall the Municipality is struggling to achieve set objectives



3.8.5 SERVICE PROVIDERS ASSESSMENT

Service Providers Assessment

Period: 2015/2016

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year 2014/2015		Current Financial Year 2015/2016		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
SCMU 006/2014/2015	WSSA	28 May 2015	MANAGEMENT, OPERATION & MAINTENANCE OF WATER & WASTEWATER TREATMENT	R 48,806,749.43							✓
SCMU 011/2014/2015	Shula Construction	02 December 2015	JOZINI REGIONAL CWS - CONSTRUCTION OF 4.6 KM LONG 800/700/200MM DIAMETER WELDED STEEL PIPELINES AND 100KL ELEVATED TANK	R22 266 070.22	R15 000 000	R9 000 382.25	R30 000 000	R11 788 537.25	✓		
SCMU 003/2015/2016	Bosch Munitech	25 November 2015	MTUBATUBA EMERGENCY WATER SUPPLY PROJECT - DESIGN AND INSTALLATION OF SUBSURFACE WATER ABSTRACTION AT UMFOLOZI RIVER AND ASSOCIATED WORKS	R 11,158,146.72	R0.00	R0.00	R11 158 146.72	R 8 929 034.72	✓		
2011 MIGFDC27195769	City Park Trading 305 CC	08 July 2013	KWAJOBE WATER RETICULATION PHASE 2	R14 482 690.53	R10 000 000	R7 560 661.52	R3 000 000	R 1 343 223.65			✓
SCMU 035/2012/2013	ICON CONSTRUCTION	26 September 2013	Shemula water treatment works	R43 824 344.11			R15 000 000	R17 167 293.08	✓		
SCMU 137/2012	SOMKHANDA PLANT HIRE	15 November 2013	Mpukunyoni CWSS Remedial Works and upgrade	R8 920 264.94		R3 554 027.35				✓	
SCMU	EYETHU	5 February	Mkuze Water Treatment Works	R37 909 537.11		R5 818 005.32					✓

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year 2014/2015		Current Financial Year 2015/2016		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
007/2013/2014	TRANSLIDGE & PLANT HIRE	2014									
SCM 136/1	MKT CONSTRUCTION	01 AUGUST 2012	Construction of Hlabisa Mandlakazi Water Supply Scheme Secondary Bulk and Reticulation	R27 172 904.10		R0.00					✓
SCM136/2	ZIQOQE CONSTRUCTION	01 AUGUST 2012	Construction of Hlabisa Mandlakazi Water Supply Scheme Secondary Bulk and Reticulation	R 25 730 553.14		R0.00					✓
SCM 136/3	MAGEDLA CONSTRUCTION	01 AUGUST 2012	Construction of Hlabisa Mandlakazi Water Supply Scheme Secondary Bulk and Reticulation	R12 007 323.00		R0.00			✓		
SCM 136/4	DEE DEE ENTERPRISES	01 AUGUST 2012	Construction of Hlabisa Mandlakazi Water Supply Scheme Secondary Bulk and Reticulation	R11 840 769.69		R0.00				✓	
SCM 136/5	MAKHATHINI PROJECTS	01 AUGUST 2012	Construction of Hlabisa Mandlakazi Water Supply Scheme Secondary Bulk and Reticulation	R33 892 158.87		R0.00			✓		
	NEW HEIGHTS CONSTRUCTION		Hluhluwe Water Phase 1	R38 867 955.00		R 932 869.98					✓
	MAKHETHA DEVELOPMENT CONSULTANTS		Ingwavuma VIP Sanitation	R142 588 855.43		R15 197 432.58			✓		
	JEFFERSON AND GREEN		Manguzi Star of the Sea Water Scheme	R148 948 612.24		R0.00				✓	
	UWP		Mtubatuba VIP Sanitation Project	R113 763 013.00		R10 238 933.42			✓		
			Rudimentary Program 6 UKDM	R28 500 000.00		R0.00					
			Rehabilitation of existing Shemula Water Scheme	R27 236 880.00		R0.00					
			Rehabilitation of existing Jozini Water Scheme	R 5 146 41.00		R0.00					
	ZIYANDA CONSULTING		Thembaletu Sanitation	R100 918 806.75		R 2 269 489.43				✓	
			WCWDM Programme within UKDM	R299 119 350.73		R0.00			✓		
			Refurbishment & Upgrades of WWTW and sewer networks	R 28 500 000.00		R0.00					

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year 2014/2015		Current Financial Year 2015/2016		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
			Bhoboza to KwaMsane GravityMain Project (Drought)	R 3 912 792.00							✓

3.8.6 WAY FORWARD

- Targets that have not been achieved need an in depth analysis with a view to establishing the root cause for poor performance
- Targets not achieved have not achieved are unacceptably high and must be reduced
- Performance Management System needs to be cascaded to all levels of the Municipality

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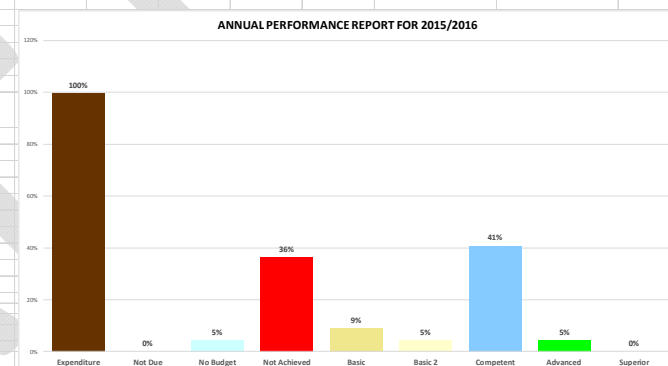
Annual Performance Report – 2015/2016

UMKHANYAKUDE DISTRICT MUNICIPALITY																					
ANNUAL PERFORMANCE REPORT - 2015/2016																					
KPA	GOAL	OBJECTIVE	STRATEGY	KPI NO	KPI	TARGET	UNIT OF MEASURE/ CALCULATIONS	BUDGET		BASIC SERVICE DELIVERY			TARGET 2014-2015		TARGET 2015-2016		COMMENTS	CORRECTIVE MEASURES	RATING	RESPONSIBILITY	
								PROJECTED	ACTUAL	DEMAND	BASLINE	BACKLOG	PROJECTED	ACTUAL	PROJECTED	ACTUAL					
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Human Resources Development	1.1 To provide effective and efficient Human Resources Management aimed at achieving a skilled workforce that is responsive to Service delivery and change	Council Adoption of the Human Resources Development Strategy	1.1.1	Council adopted HRD Strategy		Date	R 0,00	R 0,00				30-Jun-15	0	30-Jun-16	0	COGTA Capacity Building Unit is assisting the Municipality with the development of the HRD Strategy	Upon completion, the Strategy will be submitted to Council for adoption	Not achieved	Corporate Services	
			Council Adoption of Workplace Skills Plan	1.1.2	Council adopted WSP	Council adopted WSP by 31 March 2016	Date	R 0,00	R 0,00				100%	100%	31-Mar-16	0	The Department is in the process of developing the draft WSP	None	Not achieved	Corporate Services	
			Implementation of Work Place Skills Plan (WSP)	1.1.3	Percentage of budget spent on WSP	100% of the budget spent by 30 June 2016	Percentage	R 0,00	R 0,00				100%	100%	100%	100%	The Municipality implemented 100% of the revised budget although not all projected targets were implemented	There is no budget on the 2016/2017 financial year. The Municipality will only implement training interventions approved as part of the discretionary grant	3	Corporate Services	
			Council adoption of Employment Equity Plan	1.1.4	Developed and submitted EE Plan to Council for adoption	Council adopted EE Plan by 31 December 2015	Date	R 0,00	R 0,00				31-May-15	31-May-15	31-Dec-15	0	The process is incomplete as COGTA is providing support	The EE Plan process will be restarted in the next financial year (16/17)	Not achieved	Corporate Services	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	2.3 Provision of reliable, cost effective, efficient and sustainable free basic services	Provision of free basic water	2.3.1	Number of households earning less than R1100 per month with access to free basic water	(3000 households that would benefit from stand pipes provided free basic water by 30 June 2016; 10% of backlog)	Number				128 195 HHs	68 195 HHs	60 000 HHs	Different target to 2015/2016	Different target to 2015/2016	3000 hh	809	Household has access to water to piped within the areas of KwaJobe, installation of boreholes and Hluhluwe Phase 4	The challenge of reliability of water sources as a result of drought needs urgent attention through boreholes and consideration of other sources outside the District	1	Technical Services	
								R 210 000 000,00	R 236 793 378,07												
	High quality infrastructure network to support human resource development and economic growth	Provision of free basic sanitation	2.3.2	Number of households earning less than R1100 per month with access to free basic sanitation	(1400 households that would benefit from VIP toilets provided free basic sanitation by 30 June 2016; 10% of backlog)	Number				128 195 HHs	104 607 HHs	23 588 HHs	3000 hh	2519 hh	1400 hh	4591	4591 VIP toilets has been completed as of June 2016 benefiting the areas of Ingwavuma Mthabatha and Jozini Wards 4 & 20		4	Technical Services	
	2.4 To ensure uninterrupted water and sanitation provision	Bulk water purchases from DWS and other water service provision	2.4.1	Number of litres purchased	24 million m³ purchased by 30 June 2016	Number	R 48 405 000,00	R 32 308 110,38						Different target to 2015/2016	Different target to 2015/2016	24 million m³	13,9 million m³	Due to drought some of the plants were not operating to full capacity	Historical data will be used to properly estimate the desired target	2	Technical Services
			Progress report on rehabilitation or repairing and maintenance of existing water schemes for water provision	2.4.2	Number of reports on repairs for water schemes submitted to the Technical Services portfolio committee	4 reports submitted by 30 June 2016	Number	R 30 356 000,00	R 19 237 168,51						Different target to 2015/2016	Different target to 2015/2016	4	1	The Operations and Maintenance Plan was not properly funded	The O & M Plan will be aligned with the available budget	1
Progress report on rehabilitation or repairing and maintenance of electricity infrastructure in Ingwavuma and KwaMkomo	2.4.3	Number of reports on electricity repairs submitted to the Technical Services portfolio committee		4 reports submitted by 30 June 2016	Number	R 584 000,00	R 293 399,11	128 195 HHs	56 406 HHs	71 789 HHs	Different target to 2015/2016	Different target to 2015/2016	4	2			Not achieved	Technical Services			
	LOCAL ECONOMIC DEVELOPMENT	Expanded district economic output and increased quantity and quality of employment opportunities	3.1 Create an enabling environment to attract investment that generates economic growth and job creation	Job creation through capital projects	3.1.1	Number of jobs created	400 by 30 June 2016	Number	R 0,00	R 0,00				173 Jobs	173 Jobs	400 Jobs	400 Jobs			3	Technical Services
Job creation through EPWP				3.1.2	Number of jobs created	60 Jobs created by 30 June 2016	Number	R 0,00	R 0,00				55 Jobs	75 Jobs	60 Jobs	60 Jobs			3	Planning & Economic Development	
FINANCIAL VIABILITY AND MANAGEMENT	Revenue and cash management	4.1 To improve revenue and cash management capability	Efficient management of Outstanding Service Debtors to Service Revenue ratio	4.1.1	Outstanding Service Debtors to Service Revenue Ratio maintained	Outstanding Service Debtors to Service Revenue ratio maintained at less than 0.5 throughout the 2015/2016 FY	Ratio	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	<0.5	0	A service provider has been engaged to assist with a Data Cleansing Exercise. It is expected that upon completion of the Data Cleansing Exercise, customer billing will be accurate with improved collections. Furthermore internal process is underway to create an indigent register	Data cleansing has not been concluded and implemented. However, the service provider has been engaged to assist in this regard.	Not achieved	Financial Services	
			Efficient management of Debt management Ratio	4.1.2	Debt Coverage Ratio	More than 1 Debt coverage Ratio maintained throughout the 2015/2016 FY	Ratio	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	>1	0			Not achieved	Financial Services	
			Efficient management of Cost Coverage Ratio	4.2.1	Cost Coverage Ratio achieved	More than 1 Cost Coverage Ratio maintained throughout the 2015/2016 FY	Ratio	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	>1	0			Not achieved	Financial Services	
	Expenditure Management	4.2 To ensure efficient expenditure management	Ensure 100% commitment on MIG and OPEX annual expenditure programmes and report quarterly to the Technical services portfolio committee	4.2.2	Percentage of budgeted amount committed on OPEX	100% of OPEX spent by 30 June 2016	Percentage	R 0,00	R 0,00				100%	100%	100%	100%			3	Financial Services	
				4.2.3	Percentage of budgeted amount committed on MIG	100% of MIG spent by 30 June 2016	Percentage	R 0,00	R 0,00				100%	79%	100%	100%			3	Technical Services	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Excellence in Governance and Leadership	5.1 To improve the quality of lives for people within Umkhanyakude District	Progress report on implementation of Operation Sukuma Sakhe (OSS) Support Programmes (back to basics)	5.1.1	Number of update reports submitted to Council on Operation Sukuma Sakhe	4 reports submitted by 30 June 2016	Number	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	4 reports	4 reports			3	Community Services	
			Establish Risk Management Committee	5.1.2	Date of establishing the Risk Management Committee	Risk Management Committee established by 31 August 2015	Date	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	31-Aug-15	0	Lack of stability in the Office of the MM affected the functioning of the Committee	Risk Management function will be given a closer focus in the next coming financial year (16/17)	Not achieved	Municipal Manager	

CROSS CUTTING INTERVENTIONS	Disaster Management	6.1 To ensure a Functional District Disaster management Centre	Preparation of reports on Emergency Response to incidents occurring in the District	6.1.1	Number of reports on support to Local Municipalities with emergency relief stock submitted to the ExCo	Quarterly reports on support given to LMs submitted to the ExCo	Number	R 0,00	R 0,00					4 reports	4 reports	4 reports	0	No funds of buying relief stock, we used little stock from PDMC	To source funding for buying enough relief stock	No Budget	Community Services
	Integrity and quality of its natural environment underpinned by a coherent spatial development pattern	6.2 Implement a functionally structured spatial development pattern guided by identified nodes and corridors through an effective land use management system	Council adoption of reviewed of Spatial Development Framework	6.2.1	Date of Council adoption of reviewed SDF	Reviewed SDF adopted by 31 May 2016	Date	R 0,00	R 0,00				31-May-15	31-May-15	31-May-16	31-May-16				3	Planning & Economic Development
		6.3 To facilitate and coordinate Effective & efficient municipal spatial planning & land use management systems within the District Municipal area	Submission of reports to ExCo on Coordination of the Implementation of the Spatial Planning & Land Use Management Act (SPLUMA) in the DM	6.3.1	Number of EXCO Approved Quarterly SPLUMA Implementation Reports	4 SPLUMA implementation reports submitted to Exco by 30 June 2016	Number	R 0,00	R 0,00				4 reports	4	4 reports	4				3	Planning & Economic Development
			Appointment of DC 27 Municipal Planning Tribunal (MPT)	6.3.2	Date of appointment of DC 27 Municipal Planning Tribunal (MPT)	MPT appointed by 31 August 2015	Date	R 0,00	R 0,00				Different target to 2015/2016	Different target to 2015/2016	31-Aug-15	31-Aug-15				3	Planning & Economic Development
	TOTAL								R 289 345 000,00	R 288 632 056,07	100%										

ANALYSIS OF PERFORMANCE - PERFORMANCE REPORT - 2015/2016 FY

Rating	Key	%	Number of Targets
Expenditure	Expenditure	100%	N/A
N/D	Not Due	0%	0
No Budget	No Budget	5%	1
Not Achieved	Not Achieved	36%	8
1	Basic	9%	2
2	Basic 2	5%	1
3	Competent	41%	9
4	Advanced	5%	1
5	Superior	0%	0
Total			22



COMMENTS

After the review of the first half of the financial year, targets were revised from 34 to 22 due to budget constraints

8 targets (or 36%) were not achieved as per the reasons stated in the report above

2 targets were not fully achieved due to overestimation of one target and the other target was not aligned properly with the available budget

Out of 22 targets, 10 were achieved including one target for basic sanitation that was exceeded

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 SECTION A: MUNICIPAL PERFORMANCE OVERVIEW

Employee Totals (as per the approved organogram)	Board and General (12) Corporate Services (38) Community Services (35) Financial Services (61) Technical Services (251) PED (15) Casual Workers (15)
Total	412 (excluding casual workers)
Turnover	Deaths (01) Resignations (05) Retirements (16) Expiry of Contracts (03) Dismissals (03)
Total	28
Vacancies (as per the approved organogram)	Board and General (04) Corporate Services (04) Community Services (03) Financial Services (21) Technical Services (19) PED (03)
Total	57

4.2 SECTION B: MANAGING EMPLOYEE WORKFORCE

Policies

UMkhanyakude District Municipality has developed a number of policies that deal with the management of human resources and administration. The following policies were developed:

Human Resources Management Policies

- Hours of Work Policy
- Overtime Policy
- Benefits and Allowances Policy
- Acting Allowance Policy
- Cellular Phones Policy
- Transport Allowance Policy
- Remuneration Policy
- Long Service Benefit Policy
- Subsistence and Traveling Policy
- Leave of Absence Policy
- Health and Safety Policy
- Employee Assistance Programme Policy

- HIV and AIDS Policy
- Training Policy
- Internship Policy
- Employment Relations Policy
- Incapacity Code and Procedures
- Sexual Harassment Policy
- Racial and Ethnic Harassment Policy
- Employee Study Assistance Policy
- Termination of Employment Policy
- Recruitment and Selection Policy
- Staff Retention Policy
- Employment Equity Policy
- Human Resources Management Policy
- Records Management Policy
- Information Technology Security Policy
- Use of Internet and Email
- Telephone - Private Calls Policy
- Municipal Housing Scheme and Assistance Policy
- Motor Vehicle Usage Policy

Administration Policies

- IT Security Policy (Firewall Policy under IT Security Policy)
- Backup Policy
- IT Change Management Policy
- IT Disaster Recovery Plan.
- IT Patch Management Policy

Occupational Injuries and Diseases

Employee	Occupation	ID Number	Accident	Brief Description	Date	Submission to DOL
Mr. T. Ndelu	Driver	720626 5897 08 8	Finger Injury	Slammed by the car door	06-Jul-015	No referral. First Aid Treatment
Mr. S. Ndimande	Grounds man	850610 5742 08 2	Eye Injury	Injured himself while starting the backup engine	13-Aug-015	Referred to Mkuze clinic for First Aid Treatment
Mr. S. Gumbi	Process Plant Operator	WSSA	Bruising and Trauma	Attacked by three armed men while he was performing	30-Sep-015	Referred to hospital and claim submitted to DoL in compliance with GA Regulation 8

				his duties at night in Jozini Water Treatment Plant		of 2003
Mr. M. Mpontshane	Driver	600125 5333 08 3	Leg injury, soft tissue damage	Tripped over a water main switch that is installed on the ground	27-Nov- 015	Referred to hospital and claim submitted to DoL in compliance with GA Regulation 8 of 2003

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CHAPTER 5: FINANCIAL PERFORMANCE

5.1 STATEMENT OF FINANCIAL PERFORMANCE

DC27 Umkhanyakude - Statements of Financial Performance							
Description	2014/15	Current Year 2015/16			2015/16 Variance		Notes
R Thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %	
Financial Performance							
Property rates	–	–	–	–	–	–	
Service charges	32 562	48 063	34 398	23 260	52%	32%	
Investment revenue	1 378	1 085	2 500	7 215	-565%	-189%	a
Transfers recognised - operational	237 422	284 387	288 142	276 592	3%	4%	b
Other own revenue	13 914	33 290	43 692	34 423	-3%	21%	c
Total Revenue (excluding capital transfers and contributions)	285 276	366 825	368 732	341 489			
Employee costs	119 627	135 491	125 330	127 842	6%	-2%	
Remuneration of councillors	6 721	11 409	7 076	6 446	44%	9%	
Depreciation & asset impairment	(4 278)	63 118	57 413	43 268	31%	25%	d
Finance charges	6 227	317	707	1 362	-330%	-93%	
Materials and bulk purchases	127 193	92 310	91 484	115 740	-25%	-27%	e
Contracted services	32 052	18 309	16 809	22 953	-25%	-37%	
Transfers and grants	–	3 828	3 000	–	0%	0%	f
Other expenditure	106 416	42 043	66 912	116 063	-176%	-73%	
Total Expenditure	393 958	366 825	368 731	433 674			
Surplus/(Deficit)	(108 681)	–	1	(92 185)			
Transfers recognised - capital	153 746	207 653	203 898	222 693	-7%	-9%	
Contributions recognised - capital & contributed assets	–	44 520	32 076	–	–	–	
Surplus/(Deficit) after capital transfers & contributions	45 065	252 173	235 975	130 508			
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	
Surplus/(Deficit) for the year	45 065	252 173	235 975	130 508			
Capital expenditure & funds sources							
Capital expenditure	153 746	252 173	235 974	233 394	7%	1%	
Transfers recognised - capital	153 746	252 173	235 974	233 394	7%	1%	
Public contributions & donations	–	–	–	–	–	–	
Borrowing	–	–	–	–	–	–	
Internally generated funds	–	–	12 274	–	–	–	
Total sources of capital funds	153 746	252 173	248 248	233 394	7%	6%	
Financial position							
Total current assets	254 127	107 812	65 370	260 851	-142%	-299%	g
Total non current assets	1 515 735	1 433 484	1 433 484	1 664 245	-16%	-16%	
Total current liabilities	227 345	102 084	68 722	267 311	-162%	-289%	h
Total non current liabilities	12 179	7 578	7 578	13 171	-74%	-74%	
Community wealth/Equity	1 530 337	1 683 807	1 683 807	1 660 845			
Cash flows							
Net cash from (used) operating	36 570	270 770	195 457	228 150	16%	-17%	
Net cash from (used) investing	(52 467)	(237 103)	(288 371)	(127 850)	46%	56%	i
Net cash from (used) financing	5 500	(1 258)	(1 258)	(64 960)	-5064%	-5064%	
Cash/cash equivalents at the year beginning	11 378	12 696	12 696	12 696			
Cash/cash equivalents at the year end	981	45 105	(81 476)	48 037	-6%	159%	
Cash backing/surplus reconciliation							
Cash and investments available	981	25 289	18 859	48 037	-90%	-155%	
Application of cash and investments	33 540	19 036	63 355	24 812	-30%	61%	
Balance - surplus (shortfall)	(32 559)	6 253	(44 496)	23 225	-271%	152%	
Asset management							
Asset register summary (WDV)	512	1 537 974	1 537 974	1 663 294			
Depreciation & asset impairment	27 982	24 607	28 204	36 177	-47%	-28%	
Renewal of Existing Assets	128 373	296 693	78 538	233 394	21%	-197%	
Repairs and Maintenance	–	–	30 934	33 391	#DIV/0!	-8%	
a to i: high percentages are as a result of underbudgeting for corresponding items.							

UMkhanyakude District Municipality budgeted the amount of R366 million operating revenue in 2015-2016, during the period of the adjustment budget it was adjusted to R386 million. The actual amount of the operating revenue is R 341 million. This is equals to 7% which is less than the adjustment budget amount. This is a result of the municipality under collecting on the revenue for the service charges. The municipality is in a rural area with high level of unemployment.

The municipality budgeted the operational expenditure of R366 million, and it was adjusted to R368 million during the adjustment period. The actual operating expenditure is R433 million, which is 17% higher than the budgeted amount. There has been an over expenditure on repairs and maintenance as the infrastructure assets of the municipality requires agent maintenance due to wear and tear.

The original capital budget was R252 million and it was adjusted to R235 million during the adjustment period, there was an addition of R12 million roll over from the prior year. The total of capital budget then amounted to R248 including the roll over. The total amount was all spent on the capital project for the municipality.

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5.2 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

DC27 Umkhanyakude Financial Performance of Operational Services							
	Dec-15	Current Year 2015/16			2015/16 Variance		Notes
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %	
Expenditure - Standard							
Governance and administration	171 766	120 106	233 401	217 172			
Executive and council	38 619	24 418	139 526	143 990	-83%	-3%	
Budget and treasury office	48 145	55 002	59 527	47 502	16%	25%	
Corporate services	85 002	40 686	34 348	25 680	58%	34%	
Community and public safety	19 028	21 054	15 830	2 358	793%	571%	
Community and social services	19 028	21 054	15 830	2 358	793%	571%	
Sport and recreation	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	
Health	-	-	-	-	-	-	
Economic and environmental services	45 682	39 411	62 770	5 098	673%	1131%	
Planning and development	45 682	39 411	62 770	5 098	673%	1131%	a
Road transport					-	-	
Environmental protection	-	-	-	-	-	-	
Trading services	164 600	186 253	56 730	208 517	-11%	-73%	
Electricity	32 799	22 472	21 455	29 794	-25%	-28%	b
Water	129 602	161 482	33 527	178 723	-10%	-81%	
Waste water management	2 199	2 299	1 748		-	-	
Waste management					-	-	
Other	-	-	-	-	-	-	
Total Expenditure - Standard	401 076	366 824	368 731	433 144	-15%	-15%	
a and b: high percentages are as a result of overbudgeting for corresponding departments.							

5.3 GRANT PERFORMANCE

DC27 Umkhanyakude - Grant Performance							
Description	Dec-15	Current Year 2015/16			2015/16 Variance		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %	Notes
RECEIPTS:							
Operating Transfers and Grants							
National Government:	232 002	283 287	287 042	276 396			
Local Government Equitable Share	226 252	265 376	265 376	265 376	100%	100%	a
Finance Management	1 250	1 250	1 250	1 250	100%	100%	
Municipal Systems Improvement	934	940	940	940	100%	100%	
Other transfers/grants [insert description]	3 566	15 721	19 476	8 830	56%	45%	
Provincial Government:	-	-	-	-			
Shared Service Grant		1 100	1 100	196	18%	18%	
Other transfers/grants [insert description]	-	-	-	-			
Total Operating Transfers and Grants	232 002	283 287	287 042	276 396	98%	96%	
*The municipality depends mainly on government grants and subsidies to be fully functional, thus resulting in high allocation of equitable share.							

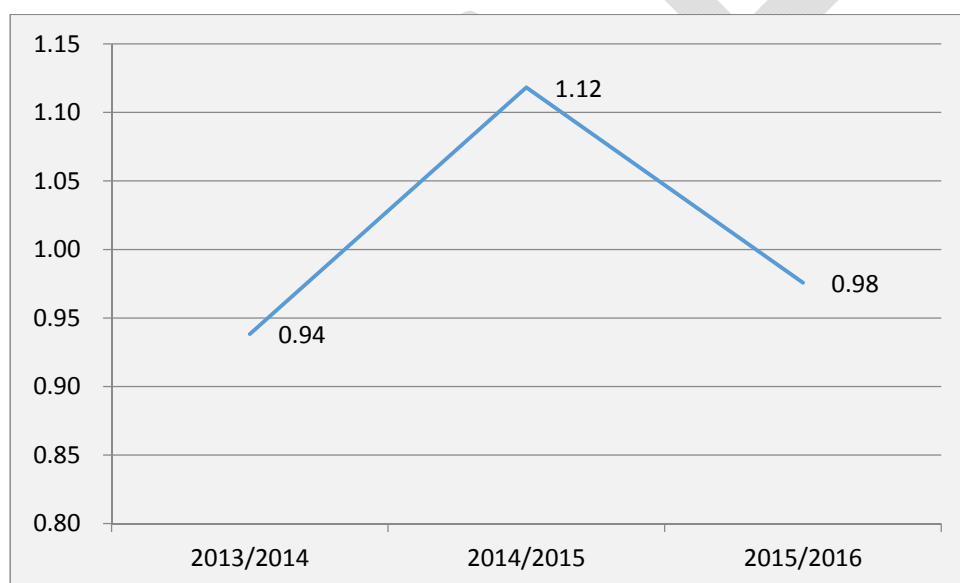
The municipality is highly dependent on government grants and subsidies to fund its operations and will be limited internally generated funding. This has resulted in the municipality spending the entire budget (grant) allocation.

5.4 REPAIRS AND MAINTENANCE

DC27 Umkhanyakude - Repairs and Maintenance 2015/16					
Description	Dec-15	Current Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Budget Variance %
Repairs and Maintenance	R 44 215 414.00	R 29 072 459.00	R 30 940 000.00	R 33 391 221.00	-8%
*Over spending in repairs and maintenance is as a result of infrastructure assets that require regular maintenance because of their ageing.					

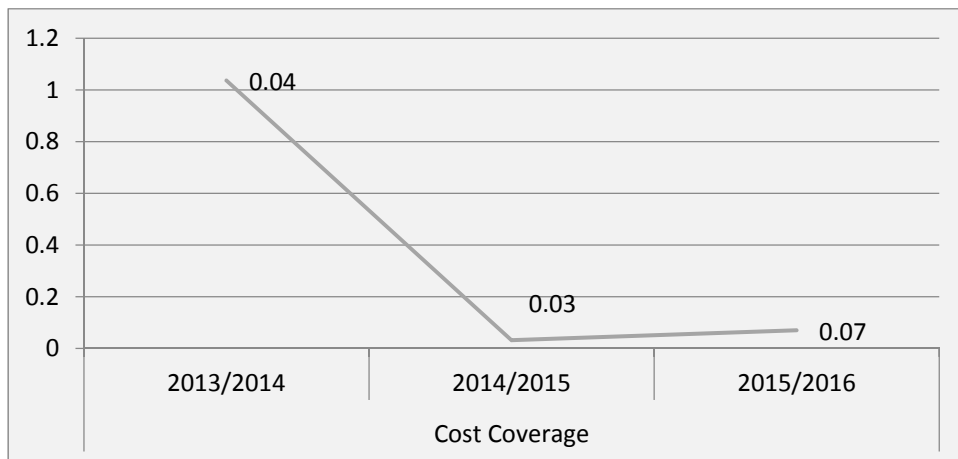
The infrastructure of the municipality is ageing and as a result there is a dire need to spend frequently on repairs and maintenance to ensure that services are rendered.

5.5 LIQUIDITY RATIO



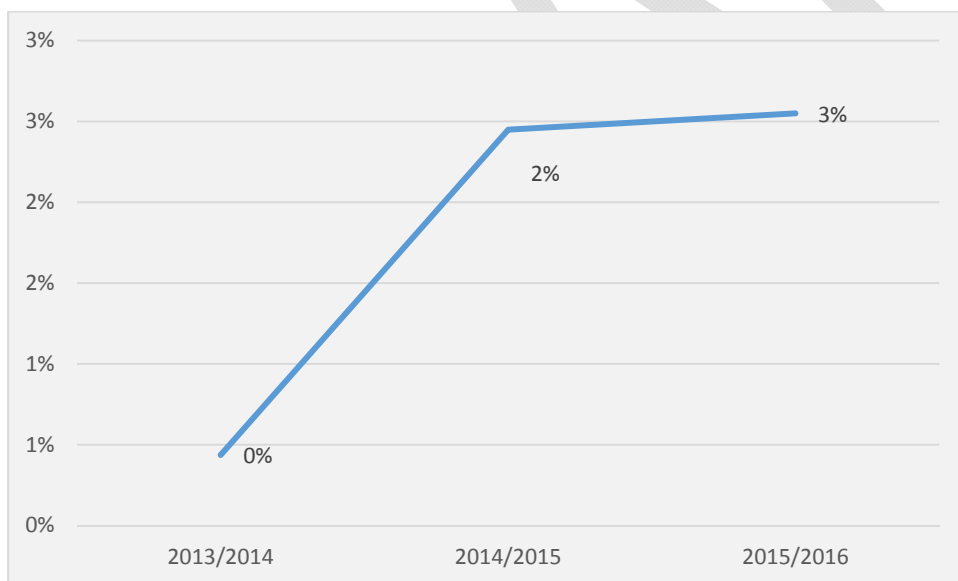
The ratio is once again less than 1 in 2015-2016 financial year which reflects huge instability in the municipality. The current liability of the municipality is more than the current assets. The ratio for the municipality equals to 0.98: 1 in 2015-2016 financial year.

5.6 COST COVERAGE



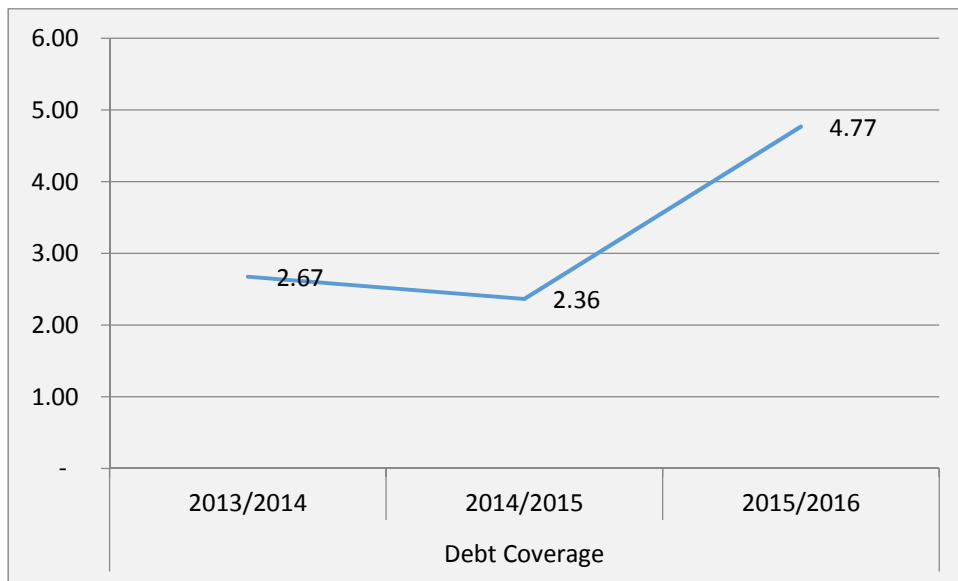
In 2015-2016 financial year the municipality is sitting at 7% of the available cash compared to the municipality's fixed cost.

5.7 OUTSTANDING SERVICE DEBTORS TO REVENUE



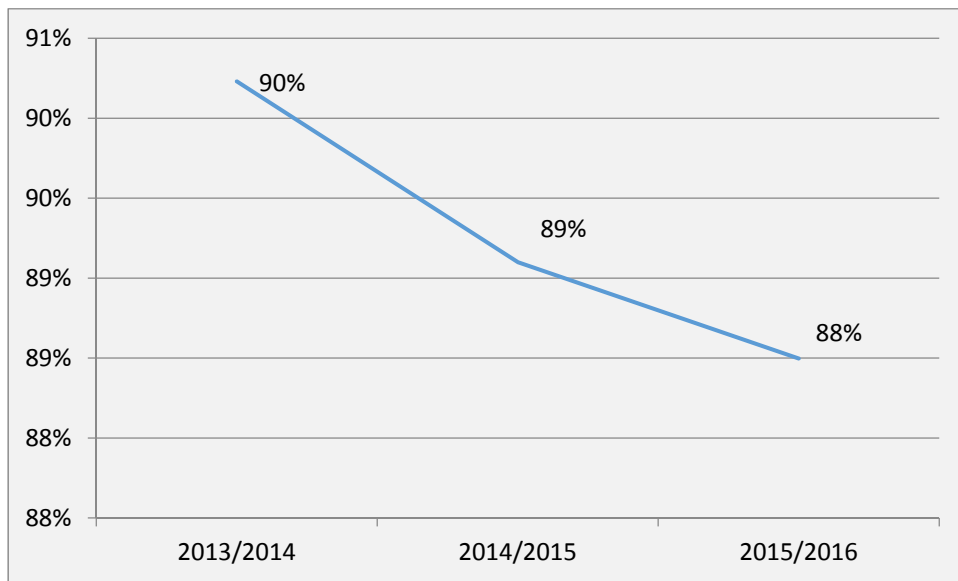
The total revenue collection of the municipality is about 39 per cent compared to the total amount of outstanding debtors of the municipality.

5.8 DEBT COVERAGE



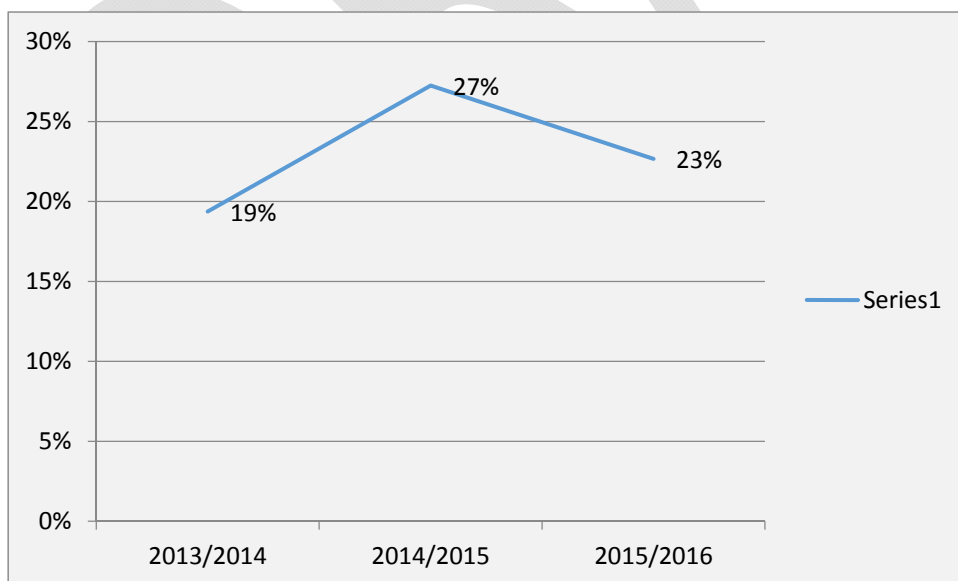
The municipality is sitting at 47 per cent of the total revenue excluding grants, but compared to total debt of the long outstanding loan capital portion, interest and finance leases.

5.9 GRANTS AS A PERCENTAGE OF REVENUE RECEIVED



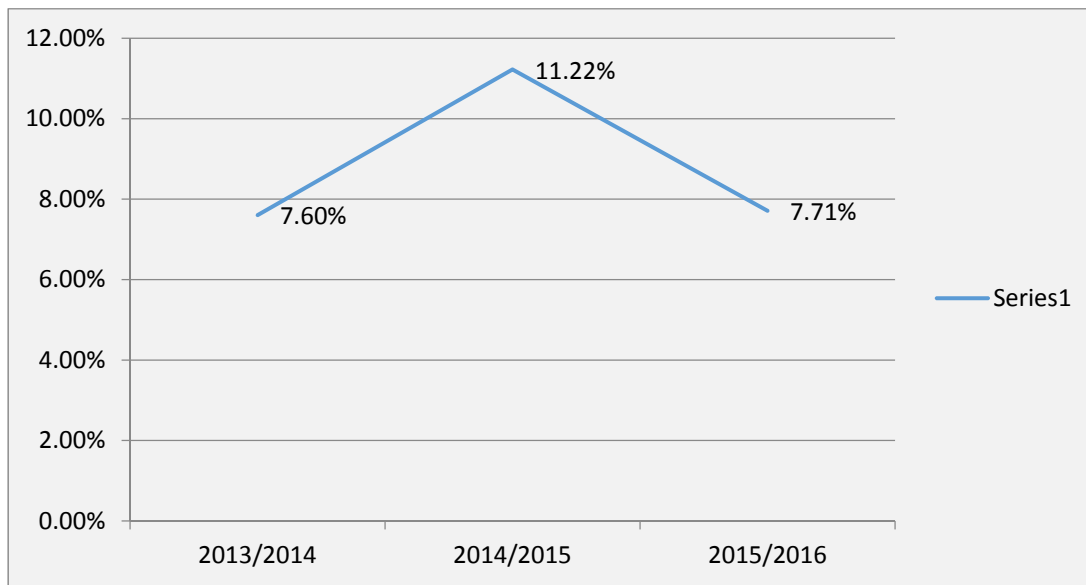
The total grants revenue received amounts to R499 million which equals to 88 per cent of the total revenue received (R564 million) by the municipality. This shows that the municipality mainly depends on grants received.

5.10 EMPLOYEE COST AS PERCENTAGE OF REVENUE



The total employees related cost amounts to R127 million which is 23 per cent of the total revenue.

5.11 REPAIRS AND MAINTENANCE AS PERCENTAGE OF OPERATING EXPENDITURE



The infrastructure of the municipality is ageing and as a result the municipality spend more on repairs and maintenance the infrastructure to ensure that the service is rendered to the community.

CHAPTER 6: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

ANNEXURE A

Work-in-progress.....

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CHAPTER 7: AUDITOR GENERAL'S REPORT
ANNEXURE B

To be available by December 2016.....

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7.1 AUDIT ACTION PLAN

ANNEXURE C

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No.	Description of the Audit Finding (Basis for Disclaimer of the Opinion)	Corrective Measure	Responsible Official	Time Frame	Progress status to date
1.	Revenue and receivable from exchange transactions I was unable to obtain sufficient appropriate audit evidence that management had properly charged and accounted for all service charge revenue due to inadequate internal controls in the billing and estimation thereof. I was unable to confirm the service charge revenue by alternative means. Consequently, I was unable to determine whether any adjustment to service charges stated at R25, 98 million (2014: R43, 57 million) in note 16 and the related receivables from exchange transactions stated at R4, 47 million (2014 R13, 57 million) in note 3 to the financial statements was necessary. (pages 85 – 88)	Update and roll out of all the revenue related process flows and procedures.	Chief Financial Officer / Acting Chief Financial Officer	31 December 2015.	Revenue Process flows were rolled out and discussions held with the sections heads/supervisors.
		Finalize data cleansing and compile an accurate indigent register.	Chief Financial Officer / Acting Chief Financial Officer		GoGTA will provide a cash injection of R 1.5 million to assist with the revenue enhancement strategies.
		Install meters in ALL the elite areas and repair all broken and faulty meters.	GM: Technical Services	30 June 2016.	A new project (Non-Revenue Water Reduction in the UMkhanyakude District Municipality) has been registered with the department of Water and Sanitation and National Treasury. This is a 3 year project aimed at enhancing revenue collection and the Municipality is currently in negotiations with Umgeni water to implement it for the 2015/16. Financial year.

		<p>Allocate meter readers in all the metered areas.</p> <p>Create a meter reading route list/ schedule that will be approved by the CFO, for use by the readers.</p> <p>The meter reading process will be monitored on a regular basis.</p>	Chief Financial Officer / Acting CFO	<p>29 February 2016</p> <p>Monthly</p>	Meeting with the meter readers was held, whereby matters that need immediate attention were discussed.
		<p>Strengthen the credit control function:</p> <ul style="list-style-type: none"> - Identify a lucrative customer base to target for collection and strengthen our relationship. - Identify all consumers with balances outstanding for more than 90 days, and amounts exceeding R 50 000. Engage with these customers and agree on a payment plan. 	Chief Financial Officer / Acting CFO	Monthly	<p>1. Under-utilized employees from satellite offices have been placed within credit control section, and are assisting with credit control activities.</p> <p>2. Meetings held with a few consumers and payment plans have been agreed upon.</p> <p>3. Provincial Treasury has provided resources to assist the municipality with recovering government related debt (Departments).</p> <p>4. Public Works is currently assisting the municipality with the recovering of debt owed by the associated entities.</p>

		<p>Close monitoring over capturing process and review of exception reports.</p> <p>Reconcile new connections with the monthly billing reports.</p>	Billing/CFO	Monthly	

2.	<p>Other receivables from exchange transactions</p> <p>I was unable to obtain sufficient appropriate audit evidence for other receivables from exchange transactions due to the lack of supporting documentation and reconciliation. I was unable to conduct alternative procedures to verify this amount. Consequently I was unable to determine whether any adjustment relating to receivables from exchange transactions stated at R1, 35 million (2014 R2, 42 million) disclosed in note 4 to the financial statements was necessary. (page 53)</p>	<p>Prepare a report to Council and list of all long outstanding "Other receivables from exchange transactions", that are not substantiate for the existence and where recovery is highly questionable. This report will detail all the efforts and steps taken to locate the documents and attempts to recover these outstanding debtors.</p> <p>Correspondence will have to be sent to the past councilors and employees, to determine the existence of such debt.</p> <p>Have discussions with the local municipalities at the District Forums about the take on balances relating to transfer of powers and functions.</p> <p>Agree other receivables to supporting documents and monthly reconciliations.</p>	CFO	31 March 2016	<p>We have reviewed the file containing supporting information on these other receivables, not much information was retrieved.</p> <p>We obtained contact details for some of the individual debtors that form part of these other receivables and started drafting letters for request for confirmation or information.</p> <p>We have prepared the council item, and the finalization thereof is pending completion of the other alternative procedures.</p>
3.	<p>Interest received outstanding receivables</p> <p>The municipality did not charge interest on overdue consumer accounts, contrary to the requirements of section 64(2) (g) of the MFMA. Consequently, interest was understated by R8, 11 million and receivables from exchange transactions understated by this amount. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus. (page 118)</p>	<p>Develop the methodology/ implement credit control policy that will be used to charge interest on all overdue debts. This will be presented to Council for consideration.</p>	CFO	Jan 2016	<p>Budget policy has been revised to incorporate the non-charging of interest. This has been presented to council for approval.</p>

4.	Expenditure I was unable to obtain sufficient appropriate audit evidence related to expenditure of R87,64 million due to a lack of documentation to support the amounts recorded. Further expenses are not classified according to their nature or function in the financial statements as required by GRAP 1 Presentation of financial statements. I was unable to conduct alternative procedures to verify this amount. Consequently, I was unable to determine whether any adjustment relating to expenditure stated at R388,26 million in the financial statements was necessary. (pages 54-67)	<p>Establish a task team that will locate all the documents that were not provided to the AG.</p> <p>Obtain storage facility to keep and file all supporting documents</p> <p>Develop a document management system policy</p> <p>Implement strict controls over the retrieving of documents from the storage facility and isolate responsibilities to BTO management.</p> <p>Ensure that all payment vouchers are scanned and properly filed in records section.</p> <p>Expenses will be presented in the Interim financial statements using one classification method in accordance with GRAP 1</p>	<p>CFO</p> <p>Corporate Manager Services</p> <p>Corporate Manager Services</p> <p>Corporate Manager/ CFO Services</p> <p>CFO</p> <p>CFO</p>	<p>30 April 2016</p> <p>31 March 2016</p> <p>31 March 2016</p> <p>Ongoing</p> <p>April 2016</p>	<p>Task Team was established. The team has retrieved 50% of the vouchers that were not submitted to the AG during 2014/15.</p> <p>Documents are scanned & filed (including 2015/16 expenditure vouchers).</p> <p>Strict controls have been implemented over the retrieving of documents from the storage facility.</p> <p>Voucher audit is continuously being performed in respect of 2015/16 expenditure voucher.</p>

5.	<p>Value-added tax receivable</p> <p>The municipality did not recognise value-added tax (VAT) on the accrual basis of accounting, as required by GRAP 1 Presentation of financial statements. Adjustments were made to VAT that could not be explained. I was not able to determine the full extent of the misstatement of VAT receivable stated at R24, 06 million, as it was impracticable to do so. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus. (pages 77 to 80)</p>	<p>We will request a detailed SARS statement that will reflect the opening balance as at 1 July 2015.</p> <p>Reconcile our closing balance to SARS opening balance and process the adjustments where necessary.</p> <p>Monthly we will perform the following:</p> <ul style="list-style-type: none"> - Reconciliation between VAT 201 returns and amounts recorded in the GL - Reconciliation of VAT levied per the month per revenue billing to the VAT levied account - Reconciliation of the VAT receipted from customers to the VAT transferred to the VAT Payable account - Reconciliation of VAT Input calculated to the VAT Input Creditors and Capital accounts to ensure that accuracy and completeness of VAT claimed - Analysis and reconciliation of movements on the Unallocated VAT accounts - The remainder of the VAT accounts should reconcile on a monthly basis to the SARS statement (instead of Annual) <p>KZN Provincial Treasury will allocate a service provider to assist with all VAT related matters, including the reconciliations for the past 5 years.</p>	<p>CFO Assisted by COGTA</p>	<p>30 March 2016</p>	<ol style="list-style-type: none"> 1. A detailed review of the VAT control account has been performed retrospectively (as far back as 2012/13 financial year), resulting journal have been proposed and will be processed. 2. Discussions with SARS will be initiated about the discrepancies that exist, pertaining to the amounts recorded as receivables in UKDM's accounting records. 3. The process of reconciling the VAT 201's and the GL has commenced.
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6.	<p>Cash and cash equivalents</p> <p>I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents. Supporting documents for adjustments processed to cash and cash equivalents could not be provided by management. I was unable to conduct alternative procedures to verify this amount. Consequently, I was unable to determine whether adjustments to the cash and cash equivalents stated at R12, 70 million in the financial statements were necessary. (page 73)</p>	<p>To investigate the root cause for adjustments made on the cash and cash equivalents and provide necessary supporting documents.</p> <p>We will strengthen the controls and implement a policy that all journals must:</p> <ul style="list-style-type: none"> - Have all the supporting documents attached - Reviewed by the CFO before capturing onto the system - Signed off by the CFO as evidence of review <p>Regular review of bank and cash reconciliations by the office of the CFO.</p>	CFO	31 March 2016	Done for the months of July to February 2016.
7.	<p>Consumer deposits</p> <p>I was unable to obtain sufficient appropriate audit evidence that management had fully accounted for all consumer deposits due to poor system controls when moving these transactions onto the new system. I was unable to confirm the consumer deposits by alternative means. Consequently, I was unable to determine whether any adjustment to consumer deposits stated at R1, 99 million disclosed in note 11 to the financial statements was necessary. (page 75)</p>	<p>Engage Camelsa, provide with the list of consumer debtors' deposits for updating each consumer account.</p> <p>Review the consumer deposits per the accounting system and agree to the supporting schedule.</p> <p>Review monthly consumer deposits reconciliations.</p>	CFO	<p>15 Dec 2015</p> <p>Monthly</p>	<p>Done.</p> <p>To be reviewed on a regular basis.</p>

8.	Irregular expenditure The municipality made payments in contravention of the supply chain management (SCM) legislation that were not included in irregular expenditure of R130 million disclosed in note 35 to the financial statements. Adequate systems and controls were not in place to ensure that all irregular expenditure was accounted for. I was not able to determine the full extent of the irregular expenditure as it was impracticable to do so. (pages 111 and 114)	We will engage PT (SCM team) to assist with the strengthening of the controls and drafting of policies and procedures around SCM. UIFW registers will be updated on regular basis.	CFO/MM	31 March 2016	The policy and procedure manuals have been drafted and will be presented to the next Council meeting (in March 2016). UIFW register has been updated up to and including 29 February 2016.
9.	Commitments I was unable to obtain sufficient appropriate audit evidence that management had accounted for all contractual commitments disclosed in note 38 to the financial statements, due to significant deficiencies in procedures and controls. I was unable to confirm contractual commitments by alternative means. Consequently I was unable to determine whether any adjustment relating to contractual commitments stated at R259, 87 million and disclosed in note 38 to the financial statements was necessary. (pages 76 and 126)	We will engage Camelsa and activate the commitments module within Pastel. Commitments will be recorded on the system and reviewed on a monthly basis by the CFO. Commitments file will be created with all supporting contracts, appointment letters. KZN Provincial Treasury will allocate an asset management service provider who will assist with detailed review of capital commitments for the past two years.	TECHNICAL SERVICES/CFO	31 March 2016	A detailed review of all the supporting documents informing the commitments has commenced. Engagements have commenced with the MIG municipal officials and consultants, whereby the process of billing and recording, and eventually raising retentions and commitments was discussed.

10.	<p>Statement of comparison of budget and actual amount</p> <p>The municipality did not disclose by way of a note an explanation for material variances between the budget for which the municipality is held publicly accountable and actual amounts spent. This is contrary to the requirements of GRAP 24 Presentation of budget information in financial statements. An explanation of whether changes between the approved and final budget were a consequence of reallocations within the budget, or of other factors was also not disclosed in the financial statements. It was not possible to confirm the variance due to the omission of the disclosure as it was impractical to do so. (page 113)</p>	AFS will be updated accordingly during the preparation of 2015/2016 financial statements.	CFO	June 2016	
11.	<p>Water and Electricity Losses</p> <p>I was unable to obtain sufficient appropriate audit evidence for the R36, 56 million (2014: R36, 21 million), and R5, 52 million (2014: R9, 33 million) disclosed as water and electricity losses, respectively in note 45 to the financial statements due to inadequate systems and processes for the recording and monitoring of these losses. There were no satisfactory alternative audit procedures that I could perform in this regard. Consequently, I was unable to determine whether any adjustment relating to the water and electricity losses disclosed in note 45 to the financial statements was necessary. (pages 87 to 92)</p>	Conduct an audit on all reservoirs to determine whether all have inlet and outlet bulk meters.	TECHNICAL SERVICES	31 January 2016	An audit for the bulk reservoirs was conducted as part of the ACIP 2014/15 programme.
		Install bulk meters for both inlet and outlets in all reservoirs with identification numbers.	GM: Technical Services	30 June 2016	We are currently in negotiations with Umgeni to install the meters.

		Conduct an audit of household meters to discover illegal connections.	GM: Services	Technical	30 June 2019	We are currently in negotiations with Umgeni to implement the Non-Revenue water reduction project.
		Formalize all households that connected illegally to the system.	GM: Services	Technical	30 June 2019	We are currently in negotiations with Umgeni to implement the Non-Revenue water reduction project.
		Review Water Services Bylaws for the District Municipality for approval by Council and gazette then after.	GM: Services	Technical	30 June 2016	
		Monitor and compute water losses both in kiloliters and rand values with traceable workings in all areas and follow them up accordingly	GM: Services/CFO	Technical	Monthly	No progress as yet. Meters to be installed by uMgeni water to enable water balance calculations
		Reconcile units of electricity purchased and units of electricity sold to determine losses both in Rands and Kilowatts and follow them up accordingly.	GM: Services/CFO	Technical	Monthly	No progress as yet. UMkhanyakude in discussions with Eskom to assist with running the function.
12.	Inventory I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for water pipes that were recognised in inventory, due to the status of the accounting records. I was unable to confirm the inventory by alternative means. Consequently, I was unable to determine whether any adjustment to inventory stated at R86, 98 million (2014: R86, 84 million) disclosed in note 2 to the financial statements was necessary. (page 52)	Request PT to assist with an independent evaluation of the pipes and conditional assessment review. (Obtain all supporting documents (invoices, delivery notes, etc.) and perform a valuation check to ensure that all inventory recorded is correctly valued.) Perform and complete physical counts of all water pipes per class in all sites not yet been put underground by inviting Auditor-General in such physical counting of water pipes. Mark those that have been counted. Ensure that these water pipes are properly secured.	GM: Services	Technical	30 June 2016 30 June 2016	Service provider has been allocated by NT, part of their scope is to assist with the valuation of water pipe inventory.

		Perform reconciliation between the amounts that were paid in advance in respect of the inventory and the actual inventory received. This will substantiate the validity of the prepaid receivable as recorded in the accounting records (if applicable) and necessary adjustments will be processed.	CFO	30 April 2016	
		Develop the clear programme for adoption by Council on how the pipes spread all over the District will be used in the Water Capital Projects implemented or to be implemented by the District. Such programme must be implemented with effect from 01 February 2016 going forward.	GM: Technical Services	31 March 2016	Report was tabled to Council structures in October 2015.

13.	<p>Payables from exchange transactions</p> <p>I was unable to obtain sufficient appropriate audit evidence that management had fully accounted for all payables from exchange transactions due to the lack of supporting documentation for the current year's payables, stated at R157,96 million (2014: R121,81 million) as disclosed in note 10 to the financial statements. I was unable to confirm the payables by alternative means. Consequently, I was unable to determine whether any adjustment to payables from exchange transactions stated at R157, 96 million (2014: R121, 81 million) disclosed in note 10 to the financial statements was necessary. (pages 63-65 and 94)</p>	<p>Establish a task team who will be 100% dedicated to obtaining all supporting documents that could not be presented to the auditors.</p> <p>The outstanding supporting vouchers for payments made by the municipality will be traced to the accounting system to obtain the order, payment information and other supporting documentation.</p> <p>Schedule a meeting and invite all affected suppliers with the Mayor, Municipal Manager, and CFO of the Municipality, and senior management of Provincial Treasury and CoGTA, where the following will be discussed:</p> <ul style="list-style-type: none"> • The need for copies of invoices to be provided to validate past payments made to such creditors, failure of which will result in the municipality disclosing such information as irregular expenditure. • For creditors with outstanding amounts, request copies of invoices to validate past payments made in order for the balance of the outstanding amount to be paid to the creditor, in accordance with an approved payment plan. <p>Draft a report for Council on the process and steps taken to recover all documents that were destroyed by fire in 2012, and demonstrate the impracticability of obtaining the outstanding documents.</p> <p>Conduct a 100% review of all retentions for 2014/15 financial year and 2015/16 financial year.</p> <p>Consult the service provider to activate the retention module in pastel, and ensure that all retentions are accounted for in the system.</p> <p>CFO to review all retentions, on a monthly basis.</p>	<p>Chief Financial Officer/ Acting CFO.</p>	<p>30 June 2016</p> <p>31 March 2016.</p> <p>31 March 2016.</p> <p>Monthly</p> <p>31 March 2016.</p> <p>30 June 2016.</p>	<p>Engagements have commenced with the MIG municipal officials and consultants, whereby the process of billing and recording, and eventually raising retentions and commitments was discussed.</p>
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No.	Description of the Audit Finding (Emphasis of Matter)	Corrective Measure	Responsible Official	Time Frame	Progress status to date
1.	Going Concern Note 48 to the financial statements indicates that the municipality's current liabilities exceeded its current assets by R68 million (2014: R5,67million); certain unspent conditional grants were not cash backed, and there was also a large increase in the provision for doubtful debts due to debt not being collectable and indigent debtors. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.	Maintenance the current ratio of not less than 1:1.	Chief Financial Officer	Monthly	
		Maintenance the Cash Equivalent Ratio of at least 3 months.	Chief Financial Officer	Monthly	Cashflow projections are done and reviewed on a regular basis.
		Establish an Interim Finance Committee, to review the weekly cash flows and approve all payments to be made by the municipality.		Dec 2015	Done. However, the IFC has only met once since its establishment.
		Enforce the implementation of Costs Cutting Measures to eliminate non-priority spending items.	Chief Financial Officer	Dec 2015	Done.
No.	Description of the Audit Finding (Emphasis of Matter)	Corrective Measure	Responsible Official	Time Frame	Progress status to date

	<p>Strategic Planning and Performance Management</p> <p>Key performance indicators, including input, output and outcome indicators, in respect of each of the development priorities and objectives were not set out in the integrated development plan (IDP), as required by section 41(1) (a) of the Municipal Systems Act of South Africa, 2000 (Act No.32 of 2000) (MSA) and the Municipal planning and performance management (MPPM) regulation 1 and 9(1) (a).</p> <p>Annual performance objectives and indicators were not established by agreement with uMhlosinga Development Agency, as required by section 93B (a) of the MSA.</p> <p>The performance of uMhlosinga Development Agency against the agreed performance objectives and indicators was not monitored and annually reviewed, as part of the annual budget process, as required by section 93B(b) of the MSA.</p>	<p>Coordinate a session with UMDA to discuss and agree on annual performance objectives, align them with the entity's (where necessary)</p> <p>Coordinate the deliberation of the Annual Budget during the Mid-Term-Review and Adjustment Budget process of UMDA by Full Council and ensure the recommendations of the Council are addressed by Board of UMDA.</p> <p>Coordinate the Quarterly Monitoring and Evaluation of the Performance of uMhlosinga Development Agency (UMDA) and develop the service level of agreement for presentation before Council</p>	<p>Acting GM: PED</p> <p>Municipal Manager</p>	<p>Within 30 days after the end of each quarter</p>	<p>A task team comprised of AGM: PED; Acting CFO of UKDM and CEO and CFO of UMDA was established in December 2015 to produce a report on Alignment between UMDA and UKDM, that report is due by 30 March 2016.</p> <p>A District-Wide Workshop between UMDA Leadership/Management & UKDM Leadership/Management was held on the 3rd February 2016 to address the alignment concerns and the Outcomes of the Session which include the FF:</p> <ul style="list-style-type: none"> - Approve the Scorecard by 30 March 2016 (Q3) - Sign the 2015/2016 FY SLA and Compact Agreement by 30 March 2016 (Q3) - Attend Board Meeting in Quarter 3 & 4 - Schedule quarterly Performance review with UMDA in Quarter 3 & 4 - Council to condone all Payments /transfers made to UMDA without SLA and approve new Transfers By 30 March 2016 or to be incorporated in the 2016/2017 FY IDP, Budget & PMS processes due for adoption in April 2016. - The Mid-Term Performance Report (Section 72) of UKDM incorporating that of UMDA was approved by submitted and approved by Council on the 25th Jan 2016

2.	<p>Annual Financial Statements, performance and annual report</p> <p>The annual performance report for the year under review did not include the performance of uMhlosinga Development Agency, a comparison of the performance with set targets and a comparison with the previous financial year and measures taken to improve performance, as required by section 46(1) (c) of the MSA.</p> <p>The performance management system and related controls were not maintained as it did not describe and represent the processes of performance measurement, review, reporting and how it is conducted, organised and managed as required by sections 38 of the MSA and MPPM regulation 7.</p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.</p>	<p>Coordinate the Quarterly Monitoring and Evaluation of the Performance of uMhlosinga Development Agency (UMDA) for presentation before Council.</p> <p>Compile for presentation to Council and implement a detailed Compliance with Laws and Regulations Checklist.</p> <p>Revise the interim and year-end financial statements preparation program.</p> <p>This will include the review process by the CFO and internal audit.</p>	<p>MM/ GM: PED</p> <p>PMS Manager</p> <p>CFO</p>	<p>31 Dec 2015</p> <p>31 March 2016</p>	<p>There is a draft Annual Performance Report which was adopted by Council in January 2016 the Performance Report of UMDA was included and in the final Report which is currently undergoing public participation process until 21 Feb 2016, a section /table that shows comparison of the performance with set targets and comparison with the previous financial year and measures taken to improve performance as required by section 46 (1) c) of the MSA will be included.</p> <p>Although PMS and related controls have not been effectively implemented during q1 Q2 of the current financial year however plans have been put in place to ensure that this is addressed during Q3 and Q4 respectively.</p> <p>In this regard the IDP/PMS Steering Committee for Q3 has taken place; The Quarterly performance Evaluation for Q3 has already taken place and it the plan to continue with same momentum during remainder of the financial year and beyond. These will also include uMhlosinga Development Agency</p>
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3.	Audit Committee The audit committee did not meet at least four times a year, as required by section 166(4) (b) of the MFMA. The audit committee did not review the municipality's performance management system and make recommendations to the council, as required by MPPM regulation 14(4) (a) (ii).	Prepare a schedule of audit committee meetings to take place at least four times a year. Schedule meetings and send out invites to respective members and invitees. A new audit committee was appointed during the last quarter of 2014/2015 financial year. The new audit committee will ensure that they are able to fulfil their oversight role and submit reports to council quarterly. Ensure that in all Audit Committee Meetings Auditor-General, Provincial Treasury and COGTA are invited.	Municipal Manager	31 Dec 2015 Quarterly	

4	<p>Procurement and Contract Management</p> <p>Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as contracts were not submitted for audit.</p> <p>Awards were made to providers who are in the service of other state institutions or whose directors or principal shareholders are in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).</p> <p>Sufficient appropriate audit evidence could not be obtained that contract and quotations were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.</p>	<p>Provincial Treasury provided assistance regarding contract management, this included the compilation and monitoring of the contract register. Implement and enforce Contract Management Framework and Policy for the District Municipality.</p> <p>The municipality has purchased COMPUSCAN system that is used to screen all prospective service providers for possible conflicts of interest.</p> <p>Develop the Checklist for SCM Compliance in respect of Competitive Bids / Tenders including verification of the Tax status of service providers using SARS system as workshopped to SCM officials by SARS on 30 June 2015.</p>	Chief Financial Officer and PT	<p>31 January 2016</p> <p>Dec 2015</p> <p>31 March 2016.</p>	<p>A report on contract management project performed by PT has been issued to the municipality.</p> <p>Done.</p>

5.	<p>Expenditure management</p> <p>Sufficient appropriate audit evidence could not be obtained that money owed by the municipality had always been paid within 30 days, as required by section 65(2) (e) of the MFMA.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.</p>	<p>Guided by the recovery plan already developed in terms of section 139 1(b), the municipality must ensure proper management of creditors thereby eliminating fraudulent and undue claims made without proper documentation.</p> <p>Provincial Treasury will assist with the due diligence on all outstanding creditors. This is to ascertain value for money for every payment to be made.</p> <p>Coordinate the condonation of Irregular Expenditure to Council depending on the level of condoning authority after all due processes have been followed.</p>	CFO	<p>Jan 2016</p> <p>30 April 2016</p> <p>30 June 2016</p>	<p>Recovery plan was finalised.</p> <p>PT has allocated a resource that with assist in this regard.</p>
6.	<p>Conditional grants</p> <p>Municipal Systems Improvement Grant funds were retained or rolled over to the next financial year without seeking the approval of the National Treasury, as required by section 22(1) of the DoRA.</p>	<p>We will closely monitor performance of all the grants, in terms of spending, early identify where the municipality is lagging behind.</p> <p>We will timeously approach NT and apply for roll overs (if applicable).</p>	CFO	Ongoing	Ongoing

7.	<p>Revenue Management</p> <p>An adequate management, accounting and information system which accounts for revenue, and debtors was not in place, as required by section 64(2) (e) of the MFMA.</p> <p>Interest was not charged on all accounts in arrears, as required by section 64(2) (g) of the MFMA.</p> <p>An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA.</p>	<p>The municipality will enforce strict implementation of credit control and debt collection policy.</p> <p>Update and roll out of all the revenue related process flows and procedures.</p>	Chief Financial Officer	<p>31 March 2016</p> <p>31 Jan 2016</p>	<p>Credit control meetings are currently taking place.</p> <p>Process flows have been circulated to respective section heads/ supervisors.</p>
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8.	<p>Consequence management</p> <p>Unauthorised, irregular, and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2) (a) (ii) of the MFMA.</p> <p>Unauthorized, irregular and fruitless and wasteful expenditure was not always recovered from the liable person, as required by section 32(2) of the MFMA.</p>	<p>The municipality is under Administration in terms of section 139 (1) (b) of the constitution. The Administrator, in the recovery plan, has indicated his intention to institute section 32 processes and present to council, COGTA and Auditor general regularly/ in terms of the legislation.</p> <p>UIFW registers must be updated and reported to council and COGTA monthly.</p>	Municipal Manager	<p>31 March 2016</p> <p>Monthly</p>	PT has allocated a resource that with assist in this regard.
9.	<p>Leadership</p> <p>The leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with laws and regulations. Leadership did not ensure that a proper action plan is established and monitored to address prior year issues and that employees have a better understanding of the requirements in respect of policies and procedures. Therefore the policies and procedures were not effectively applied and monitored due to the slow response by leadership.</p>	<p>Develop and Implement an Oversight Framework to ensure oversight responsibility regarding financial, performance reporting and compliance with laws and regulations to enhance Back to Basics Programme.</p>	Municipal Manager/ Administrator	31 January 2016	

10.	Financial and Performance Management Systems and controls were not designed in a manner to prevent, detect and address risks that impact on financial; performance and compliance reporting. In this regard, management did not ensure that regular, accurate and complete financial and performance reports were prepared, which were supported and evidenced by reliable information, and daily controls were not always performed.	Review, prepare and implement Control Frameworks, incorporating key critical controls including IT dependent controls for the said core financial and operational processes Development and implementation of Process and Control Manuals (PCMs) detailing key Activities and Procedures for each of the said core Financial Processes. Roll-out Training on the Financial Control Frameworks & Process and Control Manuals.	Municipal Manager and all HODs	31 March 2016	
11.	Governance There was a lack of regular risk assessment and response and the audit committee has not been meeting regularly. This also includes the lack of review of key reports such as the annual performance report.	Revise the Audit committee's TOR to ensure that includes the review of ALL key reports.	Municipal Manager	31 March 2016.	
	Basic service delivery and infrastructure				
	Usefulness of reported performance information Measurability of indicators and targets Performance targets not specific, measurable and indicators not well defined and verifiable				
1.	Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 31% of the targets were not specific.	Targets will be corrected in the 2015/2016 financial year.	Municipal Manager	31 January 2016	

2.	Performance targets should be measurable, as required by the FMPPI. I could not measure the required performance for 31% of the targets.	Targets will be corrected in the 2015/2016 financial year.	Municipal Manager	31 January 2016	
3.	Performance indicators should be well-defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 29% of the indicators were not well-defined.	Targets will be corrected in the 2015/16 financial year.	Municipal Manager	31 January 2016	
4.	The processes and systems that produced the indicator should be verifiable, as required by the FMPPI. A total of 29% of the indicators were not verifiable.	Secretaries for departments will be tasked to assist with portfolio of evidence.	Municipal Manager	31 January 2016	
	Relevance of indicators Performance indicators not relevant				
5.	The FMPPI requires indicators to relate logically and directly to an aspect of the municipality's mandate and the realisation of strategic goals and objectives. A total of 29% of the indicators did not relate logically and directly to an aspect of the municipality's mandate and the realisation of strategic goals and objectives as per the service delivery and budget implementation plan. This was because proper performance planning and management practices had not been developed and implemented to provide for the development of performance indicators and targets included in the annual performance plan.	Relevance of indicators will be addressed in the 2015/16 financial year.	Municipal Manager	31 January 2016	
	Basic service delivery and infrastructure and Local economic development Reliability of reported performance information				

6.	<p>The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was because the municipality could not provide sufficient appropriate evidence in support of the reported performance information.</p>	<p>Reliability of indicators will be addressed in the 2015/16 financial year.</p>	<p>Municipal Manager</p>	<p>31 January 2016</p>	
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